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ABSTRACT

With the transformation of the welfare system, the U.S. Department of Housing and Urban Development (HUD) reviewed the employment and training components of 13 of its programs. The evaluation begins with a literature review that identifies these four groups of elements associated with positive outcomes: employment services that have an employment or education and training focus; eliminating barriers through provision of child care, transportation, and remedying substance abuse and personal problems; cash and in-kind supports that augment earned income; and transitional supports such as life skills training and peer support. These elements provided the framework for in-depth, on-site interviews with individuals from local housing authorities, employment and training agencies, welfare offices, and community-based organizations in Baltimore, Boston, Los Angeles, Milwaukee, and San Antonio. Among the study's findings were the following: (1) HUD programs were generally consistent with the literature on employment and training programs; (2) Section 8 recipients have less access to employment-focused HUD programs; (3) Only Jobs Plus primarily served residents on welfare in all sites observed; (4) programs that target TANF (Transitional Assistance for Needy Families) recipients combine HUD funding streams and harness resources from the broader community; (5) strong linkages exist with labor agencies but relationships with welfare departments could be strengthened; (6) the implementation of financial incentives policies for residents must be resolved; and (7) housing authorities approach the issue of helping residents attain self-sufficiency differently. An appendix provides assessment plans for various programs. (Contains 71 references.) (KC)

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Prepared for:

U.S. Department of Housing and Urban Development
Office of Policy Development and Research

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EXECUTIVE SUMMARY

Interest in work and self-sufficiency among welfare recipients was heightened among government officials, social service providers, academics, and the general public when Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act (PWRORA), which changed the focus of the welfare system from income support to work. PRWORA ended the six-decade-old Aid to Families with Dependent Children (AFDC) program and replaced it with Temporary Assistance for Needy Families (TANF). Notable features of the new law include a five-year federal lifetime time limit on cash assistance, stringent work requirements, and conversion of AFDC, an open-ended entitlement, to TANF, a capped block grant.

One agency affected by welfare reform is the U.S. Department of Housing and Urban Development (HUD). According to one estimate, half of all families with children residing in public housing in the mid-1990s were AFDC recipients (Newman, 1999). The Department has long recognized that its clients face multiple barriers to self-sufficiency, and that housing assistance alone will not enable them to overcome those barriers. Consequently, HUD has encouraged housing providers to find ways to help residents obtain essential supportive services, including education and job training, job placement, child care, and transportation. HUD has a number of programs that could potentially help residents succeed in the new welfare environment. These programs, however, were designed prior to welfare reform and have not been examined systematically in the new welfare environment.

The transformation of the welfare system presented HUD with an important opportunity to conduct a preliminary assessment of its programs. As a result, HUD contracted with ICF Consulting and the Lewin Group to review the employment and training components of the following 13 HUD programs:

- **Economic Development and Supportive Services (EDSS).** The Economic Development and Supportive Services program provides competitive grants to PHAs to establish education, training, and supportive service programs.[1]

- **Family Investment Centers (FIC).** FIC provides families living in public housing with better access to education and employment opportunities by providing seed money to PHAs for the construction of service centers.[2]

- **Family Self-Sufficiency (FSS).** The Family Self-Sufficiency program aims to help residents of public housing and Section 8 rental certificate or voucher program participants become self-sufficient though education, training, and the provision of supportive services. The program emphasizes case management to help residents systematically plan their transition to self-sufficiency. It also provides financial incentives for participation by allowing participants to fund an escrow account in lieu of making increased rent payments when their incomes increase.

---

[1] In 1999, HUD implemented the Resident Opportunities and Self-Sufficiency Program (ROSS), which consolidates and replaces EDSS and the Tenant Opportunity Program (TOP).

[2] Although funding for the FIC program ended, the facilities constructed with the funds still operate.

- **HOPE VI.** The goal of HOPE VI is to revitalize severely distressed public housing developments by simultaneously investing in buildings and residents. While the majority of HOPE VI funds are used for construction, rehabilitation, and provision of replacement housing, HOPE VI also provides limited funding for community and social services.

- **Jobs Plus.** Jobs Plus is a demonstration program constructed by HUD, HHS, Manpower Development Research Center and several foundations to test the impact of intensive and integrated employment and support services upon welfare recipients making the transition from welfare to work.

- **Moving to Opportunity (MTO).** Moving to Opportunity is a 10-year demonstration program that combines tenant-based rental assistance with housing counseling to help low-income families move to low-poverty neighborhoods.

- **Neighborhood Networks**. Neighborhood Networks is a HUD initiative that encourages the development of community-based resource and computer learning centers in privately owned, HUD-insured and -assisted housing.

- **Section 3.** Section 3 of the Housing and Urban Development Act of 1968 requires employment and other economic opportunities generated by HUD funding for housing and community development projects to be directed towards residents of low-income communities.

- **Step-Up.** Step-Up offers PHAs a programmatic framework to use in providing low-income individuals with skills training and a year of pre-apprenticeship on-the-job-training, thereby allowing residents to "step up" into registered apprenticeships.

- **Tenant Opportunity Program (TOP).** The Tenant Opportunity Program seeks to strengthen resident organizations and increase resident self-sufficiency by providing grants for organizational development, self-sufficiency activities, and conflict resolution.

- **Youth Apprenticeship Program (YAP).** On a demonstration basis, HUD funded eight PHAs to provide young residents of public and assisted housing with skills training, paid job experience, and ultimately job placement.

- **Youthbuild.** The Youthbuild program provides funding for education and on-the-job-training for 16- to 24-year-old public housing residents who have dropped out of school.

- **Drug Elimination Grant.** The Drug Elimination Grant Program is not a welfare-to-work initiative per se, but a program designed to help PHAs address problems of drug abuse and crime in public housing developments. Many PHAs use funding to develop employment programs as a means of fighting crime.

I. STUDY OVERVIEW

This study, "Success in the New Welfare Environment," assessed HUD's efforts to help residents transition from welfare to work. We began this project by reviewing the literature on

programs designed to help welfare recipients find jobs, remain in jobs, and advance in the labor market. Based on this review, we identified a number of program components that seemed to be associated with significant positive outcomes, such as exits from welfare, increased rates of employment, or increased earnings. We grouped these elements into four broad categories:

- **Employment services** that have an employment or education and training focus. Specific components include:
  - Job search
  - Work experience
  - Subsidized employment
  - On-the-job training
  - Vocational training
  - Basic skills training
  - Post-secondary education
  - Assessment
  - Case management
- **Barrier amelioration services** that focus on:
  - Environmental barriers such as child care and transportation
  - Personal barriers including substance abuse, mental health problems, lack of social support, and domestic violence
- **Cash and in-kind supports** that augment earned income, including:
  - Earned income disregards
  - The Earned Income Tax Credit (EITC)
  - Food Stamps and other nutrition programs
  - Transitional Medicaid
- **Transitional supports** that address a range of workplace issues and include:
  - Life skills training
  - Peer support

These elements provided the framework that was used to identify and assess HUD's employment and training programs.

The research team conducted in-depth, on-site interviews with individuals from local housing authorities, employment and training agencies, welfare offices, and community-based organizations in five cities: Baltimore, Boston, Los Angeles, Milwaukee, and San Antonio.

Given both the small number of sites visited and the significant flexibility HUD provides its local operators in the design and operation of its programs, this study was not intended as an evaluation of any specific HUD program or particular housing authority. Rather, the purpose of the study was to evaluate HUD's employment and training strategy as a whole, exploring the program activities, both individually and as a group, and their relationship to the larger efforts in

the community to help welfare recipients sustain employment. The study focuses on the following questions:

1. What are the specific service components of HUD employment and training programs?

2. To what extent are the practices consistent with the research on the effectiveness of those service approaches?

3. What is the nature of the linkages between the HUD programs and the programs being provided through the larger human services and employment and training systems in the community?

II. SUMMARY OF FINDINGS

A. HUD Programs are Generally Consistent with the Literature on Employment and Training Programs

HUD programs under review were generally consistent with promising welfare-to-work approaches identified in the literature and emphasized approaches and components adapted to a work-first environment. Most programs that offer basic skills education, training, or post-secondary education are related to the needs of the local labor market and are employment focused. Almost all programs stress job search or contain a job search component. However, two of the more effective program components, subsidized employment and on-the-job training, were not well represented in HUD programs implemented at the selected sites. Assessment and case management were among the most common program elements observed; however, while intuitively sensible, their connection to employment and self-sufficiency is not well established in published studies. Finally, almost all programs attempt to help residents overcome barriers to employment, such as child care, either directly through the provision of on-site services or through referrals.

HUD Program Components

	Program Philosophy[3]			Program Component											
	Work-Focused	Ed/Training with Work-Focus	Ed/Training-Focused	Job Search	Work Experience	Subsidized Employment	On the Job Training	Vocational Training	Basic Skills Education	Post-Secondary Education	Assessment	Case Management	Barrier Removal	Cash/In-Kind Supports	Transitional Supports
EDSS[4]	√			A							B	B	B		
Family Investment Center				B	B			B	B		B	B	A		B
Family Self-Sufficiency			√							A	A	A	B	A	B
HOPE VI				B	B			B	B			B	A		B
Jobs Plus	√			A	B			B	B	B	A	A	A	A	B
Moving to Opportunity											A	A	B	A	A
Neighborhood Networks			√	B				A			B	B	B		B
Section 3	√						B	B							
Step-Up		√		B		A		A					B		
Tenant Opportunity Program											B	B	B		
Youth Apprenticeship Program		√		B			A		A		B	B	B		B
Youthbuild		√		B				A	A		B	B	B		B
Drug Elimination Grant											B		B		B

A: Primary Program Component (central feature of programs across all sites)

B: Secondary Program Component (lesser feature of program or site-specific use)

√: Denotes program philosophy

[3] Five programs, FIC, HOPE VI, MTO, TOP, and DEG, were not easily classified since they were not focused on work or education and training, but were vehicles to offer a combination of services to the resident population overall.

[4] In two of the four sites, EDSS funds were used to support the Jobs Plus initiative. Freestanding, it appears as a heavily work-focused program. When combined with Jobs Plus, EDSS supports more comprehensive employment and training services.

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1) Most HUD programs are employment focused.

Three programs are employment focused: Section 3, Jobs Plus, and EDSS. While none excludes the option of training, the overarching focus of each program is work. Three training programs could be classified as education- and training-focused with a strong work element: Step-Up, YAP, and Youthbuild. They provide hands-on experience in a well-paying trade and often help place participants in jobs. Only two programs, FSS and Neighborhood Networks, could be classified as education- and training-focused initiatives.

The remaining HUD programs are not easily classified. These include FIC and HOPE VI, both of which provide space to housing authority and non-housing authority service providers. Services offered by these programs range from basic education to job search.

2) Job search is a key program component.

Almost all programs offer some form of job search. For some, such as EDSS and Jobs Plus, job search is a central focus, and participants have access to both job-related and supportive services. In other programs, job search is one, albeit smaller, component of a larger intervention. Step-Up, YAP, and Youthbuild, for example, focus on training in specific fields, although participants often receive assistance finding jobs. Programs such as FIC and HOPE VI aim to provide a constellation of services to residents, and job search is one such activity. Other programs, such as FSS and MTO, refer clients interested in employment to other service providers. Neighborhood Networks also had job search activities in some sites.

3) Training programs are generally linked to work.

HUD vocational training programs range from long-term (one or more years) efforts that seek to prepare participants for specific careers or trades to short-term or customized training. Most of these HUD programs train residents for jobs in demand. Youthbuild, YAP, and Step-Up train participants for construction-related jobs. Because housing authorities spend millions of dollars each year on construction and renovation, there is a demand for skilled labor. Only in YAP was there a guaranteed job; the others sought to place participants in permanent jobs, however. Other HUD programs, such as FIC, HOPE VI and Jobs Plus, incorporate short-term or customized training programs that focus on high-demand jobs such as child care and health services on a site-by-site basis. Neighborhood Networks focuses on computer skills.

4) Education is often one part of a larger intervention.

No single HUD program focuses exclusively on basic skills education. Youthbuild, YAP, and Step-Up, for example, combine hands-on construction experience with basic education. Consistent with the literature, the educational component is viewed as a means of opening up future possibilities (e.g., jobs with increasing responsibility) and not as an end in itself. Other HUD programs, such as FIC, Jobs Plus, and HOPE VI, offer more self-contained basic education courses. In these cases, staff suggests that basic education is an important step toward self-sufficiency, one that will make a candidate more employable. Even in these instances, however, the basic education courses are one of several employment-focused activities that residents can select. FIC, Jobs Plus, and HOPE VI also offer job placement services and linkages to vocational training.

5) Post-secondary education is one of the least common program elements.

Staff from most of the HUD programs noted that referrals to post-secondary institutions are possible under program guidelines, but that they are infrequent. FSS is the HUD program most likely to refer participants to post-secondary education. The Jobs Plus program in Baltimore also had agreements with local community colleges to offer customized training as needed. One factor for the infrequent post-secondary education referrals is the structure of the welfare programs in the five sites. Only the Maryland TANF program counted post-secondary education as a TANF work activity. In other sites, a TANF beneficiary would have to combine education with work.

6) Subsidized employment and on-the-job training are less common.

These are relatively rare program elements, even though evaluations of subsidized employment and on-the-job-training programs found significant, positive impacts on employment and earnings. Three programs used these components. YAP and Section 3 used on-the-job training extensively. Subsidized employment, or using TANF grants to fund program services, was part of the Step-Up program. There appears to be an opportunity in some sites for housing authorities and welfare agencies to collaborate and use TANF funds to support HUD programs. In three of the five sites we observed subsidized employment and on-the-job training were allowable work activities under TANF rules. In Baltimore, for example, subsidized employment was used to fund a number of resident initiatives, in addition to Step-Up.

7) Assessment can reveal barriers to employment.

Almost all HUD programs have an assessment component. In some cases, assessment is used to screen for program eligibility and possible barriers to participation, including substance abuse, skills deficits, and learning disabilities. In other programs, assessment involves gathering information on a client's educational attainment, work history, goals, and barriers to employment, with the aim of creating a service plan. The plan may focus on steps a resident could take to secure employment, or it may focus on overcoming barriers by referring the participant to GED classes, ESL, or other service providers.

8) Case management is common, yet generally not focused on employment.

Case management is a central component of three HUD programs: FSS, Jobs Plus, and MTO. Other HUD programs incorporated case management on a site-by-site basis. For example, we observed case management services at some, but not all, HOPE VI, EDSS, Neighborhood Networks, Youthbuild, YAP, TOP, and FIC programs. Most often case management links a resident to supportive and/or educational services. To the extent that such services make a resident more employable, they are a positive step. However, they often fall short of a work-first orientation. Jobs Plus and EDSS had the strongest focus on employment.

9) Direct provision of barrier amelioration services varies by site.

Assessment and case management are the primary methods for determining barriers to employment and helping residents access services. While all housing authorities visited provided referrals for services, a number of housing authorities provided on-site services or

space for barrier amelioration providers, including child care and health services. Most often, on-site services were provided through the HOPE VI, Jobs Plus, and FIC programs. DEG is also used by housing authorities to co-locate supportive services at targeted housing developments. In addition, housing authorities offer barrier removal services outside of discrete HUD employment and training programs. In Milwaukee, for example, child care is available at all five family developments, and multiple developments have health care providers on site. In Baltimore, the housing authority is the largest provider of child care services in the city.

B. Fewer HUD Employment and Training Programs Serve Section 8 Recipients

Families holding Section 8 vouchers and certificates have less access to employment-focused HUD programs since the three employment and training programs that target Section 8 recipients are generally not work-focused. FSS has historically promoted education and training as a means to self-sufficiency and has encouraged participants to obtain advanced degrees that will improve their long-term employability. MTO primarily focuses on providing opportunities for families to live in areas with low poverty, in the belief that these areas will offer greater job opportunities and generally improve the life chances of participants. MTO programs help families find and lease approved privately owned housing units. Post-move supports, including counseling, job development workshops, and referrals for social services and/or education and training are available but participation is not mandatory. With the implementation of local programs using the new welfare to work vouchers, there will be a much stronger focus on linking this tenant-based rental assistance with job search and placement programs.

An important issue to consider for programs that target these Section 8 recipients is the greater difficulty they may find in reaching these clients. Unlike residents in public housing developments, Section 8 recipients are often scattered throughout many neighborhoods. Welfare and labor department officials may find working with public housing developments a more attractive option because they provide access to a large number of TANF clients in one place. Individual private owners or managers of properties in which some residents receive tenant based Section 8 assistance may not have the capacity or inclination to establish linkages with welfare and labor agencies for those receiving TANF assistance. In these cases, access to PHA programs may need to be expanded to serve these residents.

For families receiving Section 8 project-based assistance in privately owned, HUD insured multifamily developments, HUD's Neighborhood Networks Initiative offers computer-based training and educational programs. However, the range of services offered is highly variable, and the number of developments that have Neighborhood Networks centers is very limited.

C. TANF Resident Participation in HUD Programs is Uneven

Only one HUD program, Jobs Plus, primarily served residents on welfare in all sites observed. This is not surprising, since Jobs Plus was designed to help resident transition from welfare to work. Other programs, such as EDSS, FIC, FSS, HOPE VI, and YAP served TANF clients, though to a lesser extent.

One factor that hinders program participation for TANF clients is the welfare rules in the five sites. The welfare department in only one site, Baltimore, accepted participation in HUD

programs as work activities. The welfare department in a second site, Los Angeles, allowed TANF recipients to participate in the housing authority's programs *only* if they were unable to find work during a mandatory three-week job club. In the remaining three sites, Boston, Milwaukee, and San Antonio, welfare departments operated work-first programs that focused on employment at the earliest possible time. Consequently, acceptable work activities were those focused primarily on job search, and participation in education and training programs, including those offered by housing authorities, did not count.

Another factor that appears to limit participation in many HUD programs is the nature of the training. Step-Up, YAP, and Youthbuild are heavily focused on construction-related occupations. According to the staff at a number of housing authorities, many single mothers are not attracted to manual labor, while others find it difficult to arrange child care to deal with the long hours and travel requirements of construction work.

D. Programs that Target TANF Recipients Combine HUD Funding Streams and Harness Resources from the Broader Community

A number of the local efforts observed combined HUD program funding streams and community resources to create employment and training programs that are locally designed and targeted toward residents on welfare.

1) Jobs Plus pools resources from other agencies

The Jobs Plus required housing authorities to collaborate with welfare and labor agencies to design and fund a program to help TANF recipients transition from welfare to work. In Baltimore, for example, the $200,000 Jobs Plus grant (awarded to each of the seven national Jobs Plus sites) was matched by $250,000 from the housing authority, $80,000 from the local labor department, $100,000 from the Empowerment Zone, and $50,000 from the local welfare department. The welfare department worked with the housing authority to craft program activities that will count toward the TANF work requirement. Thus, TANF recipients have a range of services available. The labor department is on site to help place participants in jobs. The on-site child care center facilitates the transition to work. Residents who are not job-ready, or want to improve their job skills, work with on-site case managers to access activities such as on-the-job training, work experience, and education programs.

2) Housing authorities combined HUD funding streams to create employment-focused programs tailored to community needs

Housing authorities also adapted existing HUD programs to serve TANF clients and other employment seekers. This often involved combining HUD funding streams or tapping into labor and welfare department resources. In Milwaukee, for example, the housing authority used EDSS and HOPE VI funds to finance resident employment coordinators. These staff persons are the point people for residents seeking work. They conduct the assessments and serve as case managers and job developers. In two of the five developments targeted by the program, the resident employment coordinators also work with staff from the county welfare department and the "W-2 agencies" that administer the TANF program and the city's one-stop job centers.

Coordinators work in tandem with W-2 staff on job search assistance; county staff assists with Food Stamp, Medicaid, and child care issues.

In San Antonio, the housing authority worked with the labor and welfare departments to establish one-stop resource centers at nine housing developments. The need for a service delivery system for the pending HOPE VI projects was the impetus for creating this model. While the housing authority's two HOPE VI developments are being constructed, residents of the public housing projects demolished to make way for the new projects have been temporarily relocated. The housing authority wanted to provide services to these residents in the interim, and developed a one-stop approach that became a model for a larger initiative. The housing authority partnered with the welfare and labor departments to create the Resident Opportunities and Achievement and Development (ROAD) Centers. It is providing space at nine developments for the Centers. In addition, FSS coordinators will be housed at the Centers to assist with counseling and supportive service referrals. The on-site welfare agency staff will provide eligibility determinations for TANF, Food Stamps, and Medicaid. The labor department will provide the employment services, including job readiness training, job placement, and post-employment services.

3) The Los Angeles housing authority's primary programs for TANF clients are outside of HUD programs under review

In Los Angeles, the primary employment programs for residents on TANF fall outside of the discrete HUD programs under review. The Welfare to Work program is funded by a competitive welfare-to-work grant from the U.S. Department of Labor. The local labor department provides space at its one-stop career centers for the housing authority's welfare-to-work case managers, and the Private Industry Council, which funds employment and training services in the community, provided funding to serve additional residents. The Welfare-to-Work program is designed to operate in a work-first environment. Staff assesses clients to determine career skills, develop a service plan, and assist with job search. TANF clients can receive their work-related services through the program so long as the welfare agency certifies eligibility. The local department of labor also funds "satellites" to the one-stop career centers at a number of housing developments.

E. Strong Linkages Exist with Labor Agencies; Relationships with Welfare Departments could be Strengthened

We found varying levels of collaboration between housing authorities and the welfare and labor agencies in their communities. In all five sites, the housing authorities had a history of collaboration with the labor agencies. In Baltimore, for example, housing authority and labor department staff worked together to create the People Accessing Continued Employment (PACE) program at four developments to provide pre- and post-employment services to residents. In contrast, collaboration in Boston was more limited. In the past, the labor department simply funded outreach workers to inform residents about employment and training services in the community.

However, linkages with the welfare agencies appeared to be underdeveloped in many sites. While Baltimore and Milwaukee housing authorities have worked with welfare agencies in the

past to design and administer programs to serve public and assisted housing residents, relationships and joint planning efforts have just begun in Los Angeles and San Antonio. In Boston, there is no coordination of employment services among high level housing authority and welfare department staff; although some coordination occurs between individual developments and local offices.

F. The Implementation of Financial Incentives for Residents Must be Resolved

HUD employs financial incentives to encourage public housing residents to work or seek training. The key HUD policy is contained in the 1998 Quality Housing and Work Responsibility Act (QHWRA), which replaced the 18-month mandatory income disregard with a 24-month disregard for residents whose income increases as a result of work or training. Under the new policy, housing authorities are required to disregard all increases in income from employment for an initial 12 months and 50 percent of increased income for a subsequent 12-month period. In addition to QHWRA, some individual housing authorities have similar financial incentives in place to encourage employment. Milwaukee, for example, disregards the first $2,000 of earned income when a resident becomes employed and does not increase the monthly rent until the following annual review.

The negotiated rulemaking process, which will clarify QHWRA policy, was incomplete at the time of our site visits. We found significant confusion among PHA staff as to the nature of the earned income disregard spelled out under QHWRA and its impact on PHA revenue. At the Baltimore site, the housing authority had implemented a policy that matched the QHWRA guidelines, but in the other four sites, the housing authority staff we met with appeared to be aware of statutory change but unsure about how it will be implemented, in particular, whether and how operating subsidies would be adjusted to cover rent losses. In one case, the Los Angeles authority had asked HUD to review their income disregard policies and expressed concern about going too far without direction from HUD and clarification of how rent losses will be treated in the current year and in the future.

Nor did residents we interviewed appear to know the rules governing HUD's policies on income disregards, and we did not observe systematic efforts on the part of housing authorities to educate residents about the policy. In one site, Boston, a non-profit organization was working with the tenant organization in one development to educate residents about the pre-existing 18-month earnings disregard. This lack of clarity appears to be affecting PHA implementation of the policies, as well as resident benefits from participating in employment and training programs.

G. Housing Authorities Approach the Issue of Helping Residents Attain Self-Sufficiency Differently

The five housing authorities we observed also take varying approaches to helping residents attain self-sufficiency. On one end of the spectrum, the Baltimore and Los Angeles housing authorities take a comprehensive approach by providing a broad array of employment and training programs, as well as on-site support services such as child care. The Los Angeles housing authority buttresses this approach with a strong emphasis on using its own construction company, Kumbaya, and resident management corporation-owned businesses for renovation and modernization projects.

On the other end of the continuum, the Boston housing authority adopted a more limited and decentralized approach to service delivery, guided by three principles: residents should use services located off site; the housing authority's role is primarily as a referral agent to other service providers; and, individual tenant organizations should take the lead on addressing the needs of their residents.

Falling in the middle, the Milwaukee and San Antonio housing authorities operate in strong work-first welfare environments. Both take the position that housing providers should help residents access employment and training services. In both sites, residents are often referred to outside providers. The Milwaukee housing authority also recognized that bringing community-based organizations on-site built important bridges to the community. Each family development has a number of on-site providers offering work supports ranging from child care to health services and food assistance. San Antonio is moving in the direction of on-site services. In summer 1999, the first ROAD Center opened at a housing development, and eight more will follow.

III. CONCLUSIONS

HUD has a long-standing interest in promoting the self-sufficiency of residents in public and assisted housing. Crafting new policies at the national level, however, is difficult, because housing authorities have a great deal of flexibility in structuring employment and training services for their residents. While this flexibility is important to meet local needs, it makes it difficult to create standardized programs. Housing authorities determine whether services will be offered by their staff or others in the community; whether services will be offered on-site at developments or through referrals to community organizations; and even whether services will be provided at all. Housing authorities also decide whether and the degree to which they will work with local welfare and labor authorities.

Despite these variations, our observations and interviews with staff during the site visits suggest a number of steps HUD could take to strengthen employment and training services for residents. First, HUD could facilitate collaboration among housing authorities, welfare departments, and labor departments. HUD activities could include providing PHAs with technical assistance or training on collaborations, encouraging PHAs to focus on retention and advancement services for employed residents, including incentives for collaborations in HUD's assessment systems, and helping provide a stable funding platform for collaborations. Second, HUD could take steps to ensure that PHAs have implemented the financial incentives for working residents outlined in the 1998 Quality Housing and Work Responsibility Act. Finally, HUD could address the lack of participation in certain programs among residents on TANF by determining barriers to participation and adjusting programs accordingly. If this proves difficult, HUD could consider ways to target non-custodial parents for these programs.

A. PHA Employment and Training Activities for TANF Residents Should be Designed to Facilitate and Support Resident Participation in Welfare and Labor Funded Services

Housing authorities, and welfare and labor agencies, share a common goal of helping TANF recipients gain employment. A large proportion of non-elderly families in public and assisted

housing receives TANF. Thus, housing authorities could lose rent revenue if residents lose their welfare benefits and fail to find or maintain employment. The welfare and labor agencies are responsible for helping TANF recipients access work and supportive services. All three agencies not only have a vested interest in helping residents find jobs but also in helping them stay employed. Clients who cannot maintain employment will quickly exhaust their lifetime TANF benefits.

Housing authority programs that target TANF recipients, such as Jobs Plus, the Welfare-to-Work program, the San Antonio one-stop Resident Opportunities for Achievement and Development (ROAD) Centers, and the resident employment coordinators, involve collaboration with welfare and labor departments. In some cases, these agencies provide funding; in others, staff. In all cases, the housing authorities leverage resources from these outside agencies. This enabled them to conserve resources, which is important given their limited funding for employment and training and supportive services. Welfare and labor agencies, on the other hand, have considerable resources for these activities. In addition to TANF block grant funds, there are a host of financial resources in the community, including Workforce Investment Act (WIA) funds, Welfare-to-Work funds, and other state and local funds. The housing authority could assure access to a broad array of services for residents if it leveraged the resources available in the community. The question for housing authorities, then, is how they can augment and facilitate resident access to services provided by the welfare and labor agencies.

Housing authorities make attractive partners for their welfare and labor counterparts for a number of reasons. They provide access to a large number of TANF recipients in single locations, and may often be the first point of contact for residents seeking information about changes in the welfare system. As such, they are a resource for information on welfare and a source of referrals to welfare agencies and employment and training programs. Housing authorities can also offer space for on-site service providers, including welfare and labor staff. In addition, they can serve as "vendors" for welfare or labor department-funded employment and training services. Finally, housing authorities can provide opportunities at their developments for residents on TANF to meet their work requirements. For example, TANF recipients who cannot find unsubsidized employment could be offered community service jobs in the areas of maintenance, construction, or child care services. Housing authorities could also target available employment opportunities specifically to residents at risk of exhausting their benefits.

HUD can take meaningful steps to facilitate collaboration among housing authorities, welfare departments, and labor agencies.

1) ***HUD activities could support this strategy by providing appropriate written materials, training, and technical assistance to PHAs.***

While housing authorities were selected for this study because each was operating several of HUD's employment and training initiatives under review, we also found variations in their level of knowledge of welfare policies, such as work requirements and acceptable activities, and in collaboration with welfare and labor agencies. To help housing authorities become more involved in helping residents meet work requirements, HUD could provide more information to PHAs on welfare reform, the roles of welfare and labor agencies, and the sources and uses of funds for employment and training services. This could include written materials on welfare

policies at the state level, training on how to create partnerships with labor and welfare agencies, and technical assistance to help individual housing authorities develop strategies to fund employment and training activities. HUD could work with housing authorities that have established relationships with their welfare and labor counterparts to educate others about successful practices.

2) HUD could encourage PHAs to focus on retention and advancement services.

TANF recipients who begin work for the first time often need help retaining their jobs and advancing in the labor market. Welfare departments are currently working to design initiatives in this area. One challenge is finding ways to encourage working clients to continue to access services and work supports. Welfare agencies often lose contact with clients after they begin working. Housing authorities are in an ideal position to address this service gap. Developments offer access to a large number of current and former TANF clients. Often space is available to co-locate staff from the welfare or labor departments. Using the Baltimore example, the People Accessing Continued Employment (PACE) program, designed by the housing authority and the city's labor department, provides pre-placement, post-placement, and job-replacement services on-site at a number of housing developments. In terms of advancement, efforts to help low-wage workers combine work and education could help them advance in the labor force. Housing developments could make space available for classes during non-work hours. Many developments also offer on-site child care.

HUD can give retention and advancement services visibility by encouraging housing authorities to meet with welfare agencies to discuss joint efforts. The housing authorities could receive funding from the TANF agencies to provide post-employment services. In addition, HUD can encourage housing authorities to participate in ongoing evaluations of retention and advancement services. The U.S. Department of Health and Human Service's Administration for Children and Families, for example, has made job retention and advancement a major priority. Housing authorities with retention programs (e.g. PACE) could join with their respective welfare agencies to develop strategies in this area.

3) HUD could include incentives for collaborative employment and training programs in the new PHAS and SEMAP assessment systems.

HUD has developed new assessment tools for public housing, the Public Housing Assessment System (PHAS), and for housing authority administration of tenant based Section 8 programs, the Section Eight Management Assessment Program (SEMAP). The PHAS assessment is a tool to determine the extent to which housing authorities will be deregulated and permitted wider discretion in management and operation of public housing. A high-performing authority may also be eligible for bonus points in certain grant competitions. The assessment system references self-sufficiency activities under criteria addressing resident satisfaction, but almost all of the rule language speaks to customer satisfaction surveys, not to employment and training. SEMAP attempts to implement a similar concept. By adding employment and training efforts as a specific factor in these assessment frameworks, HUD could increase the motivation of local agencies to expand their linkages to local welfare and labor agencies.

4) HUD and PHAs could consider establishing funding mechanisms to provide a stable platform for PHA collaboration with local welfare and labor agencies

Effective collaboration among the housing authorities and local welfare and labor agencies is time consuming for all involved. Staff time for planning and developing both informal relationships and formal cooperative agreements is a cost to housing authorities that, with a few exceptions, is paid from already over-subscribed operating and capital funds. In most cases, existing Resident Services budgets must cover what are essentially added administrative costs brought on by welfare reform. Some authorities may be able to cover a portion of these costs with Drug Elimination Grant funds, to the extent the activities are related to DEG program goals. Similarly, these activities may be funded as part of the cost of HUD-funded Family Self-Sufficiency coordinators in smaller PHAs.

HUD's Jobs Plus demonstration program is an example of a program explicitly designed to bring about collaboration between housing authorities and the key players in the new welfare system. Most of the funding needed to implement the demonstration was provided from foundations, with limited HUD funding. Authorities that received demonstration grants are expected to work closely with welfare and labor agencies to bring those agencies and their funded services to demonstration developments. While this model is still being evaluated, the collaboration envisioned makes sense intuitively, given the potential economic consequences of new TANF rules for both residents and housing authorities. Other agencies also are adopting this strategy. For example, the Department of Labor's Welfare to Work grant program (from which the housing authority in Los Angeles was awarded a competitive grant) emphasizes collaboration in planning and coordinating activities among numerous agencies involved in the program.

HUD could recognize the administrative cost to housing authorities of creating collaborative relationships and find appropriate funding mechanisms to support these activities. At a minimum, these costs could be more explicitly recognized in public housing operating cost projections. In the future, the determination of administrative fees for the Section 8 voucher programs could also take account of the administrative costs of welfare-to-work related activities that benefit Section 8 recipients.

From a policy perspective, these public housing administrative costs could be addressed in the ongoing negotiated rulemaking on the new operating fund called for in QHWRA and funding included in HUD's future budgets. Along with the proposed funding of income disregards, this would provide important resources to help PHAs meet the QHWRA goals of transforming public housing developments into communities of residents who work.

B. HUD Could Move Aggressively to Publish Regulations on Financial Incentives to Work and Provide the Necessary Training and Technical Assistance to Help PHAs Implement the Policy

The Quality Housing and Work Responsibility Act (QHWRA) provides a number of tools to housing authorities to help them establish policies that will encourage unemployed residents to find work and working families to remain in public housing. These include policies that establish ceiling rents below current "economic rent" levels to attract working families, and give residents the choice of paying flat rents or income-based rents. The Act also outlines a new

mandatory income disregard policy for residents whose income increases due to training or work. The new policy replaces HUD's previous 18-month income disregard policy with a two stage, 24-month disregard. PHAs must disregard all increased income from employment for an initial 12 months and 50 percent of increased income for a subsequent 12-month period. Our site visit interviews revealed that income disregards have been implemented unevenly, and that housing authority staff and residents alike are often confused about the rules and their impact on tenant rent payments.

C. Current HUD Programs that do not Serve TANF Recipients could be Reconfigured to Attract More Single Mothers or Redirected to Focus on Non-Custodial Parents.

TANF client participation in a number of HUD programs appears to be limited. These programs include YAP, Youthbuild, Step-Up, and Section 3. Housing authority staff described a variety of reasons for low participation, including the nature of construction work and the difficult hours required for single parents with children. HUD could help increase participation among single mothers by determining the barriers to participation and adapting the programs accordingly. If the long hours away from home often associated with construction are preventing participation, HUD could help housing authorities focus on jobs in the community that do not require a long commute, such as maintenance work. If single mothers find some aspects of construction work more appealing than others, programs could accommodate these interests.

If reconfiguring programs appears to be difficult or not possible, housing authorities could re-target existing programs toward non-custodial fathers. Site visits indicated that the majority of participants in the construction-related programs were men. Staff could not determine what proportion were non-custodial fathers. There was a general sense that many non-custodial fathers would be precluded from program participation because many are not on leases; others have criminal backgrounds. A policy of serving non-custodial fathers would also be consistent with the initiatives in the broader labor environment, including the Department of Labor's welfare-to-work grants and the Workforce Investment Act, that make serving this population a priority.

HUD could provide written materials and technical assistance on how to involve non-custodial fathers in its employment and training programs, addressing such issues such as past criminal activity and leases.

INTRODUCTION

Interest in work and self-sufficiency among welfare recipients was heightened among government officials, social service providers, academics, and the general public when Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act (PWRORA), which changed the focus of the welfare system from income support to work. PRWORA ended the six-decade-old Aid to Families with Dependent Children (AFDC) program and replaced it with Temporary Assistance for Needy Families (TANF). Notable features of the new law include a five-year federal lifetime time limit on cash assistance, stringent work requirements, and conversion of AFDC, an open-ended entitlement, to TANF, a capped block grant.

One agency affected by welfare reform is the U.S. Department of Housing and Urban Development (HUD). According to one estimate, half of all families with children residing in public housing in the mid-1990s were AFDC recipients (Newman, 1999). The Department has long recognized that its clients face multiple barriers to self-sufficiency, and that housing assistance alone will not enable them to overcome those barriers. Consequently, HUD has encouraged housing providers to find ways to help residents obtain essential supportive services, including education and job training, job placement, child care, and transportation. HUD has a number of programs that could potentially help residents succeed in the new welfare environment. These programs, however, were designed prior to welfare reform and have not been examined systematically in the new welfare environment.

The transformation of the welfare system presented HUD with an important opportunity to conduct a preliminary assessment of its programs. As a result, HUD contracted with ICF Consulting and the Lewin Group to review the employment and training components of the following 13 HUD employment and training programs:

- Economic Development and Supportive Services (EDSS)
- Family Investment Centers (FIC)
- Family Self-Sufficiency (FSS)
- HOPE VI
- Jobs Plus
- Moving to Opportunity (MTO)
- Neighborhood Networks
- Section 3
- Step-Up
- Tenant Opportunity Program (TOP)
- Youth Apprenticeship Program (YAP)
- Youthbuild
- Drug Elimination Grant[5]

[5]DEG is listed last because it is not an employment and training-focused program.

A. Outline of Report

The report is organized as follows:

Chapter I describes the context for the study. It reviews the rules of the new welfare environment, as well as the implications of welfare reform for public housing authorities and residents in HUD-assisted housing.

Chapter II describes HUD's role in supporting the self-sufficiency of residents in public and assisted housing.

Chapter III examines the degree to which housing authorities work with local welfare and labor agencies.

Chapter IV first discusses the framework used to assess the HUD employment and training programs. It then reviews how HUD's employment and training programs compare to the elements of effective programs that were identified in the literature.

Chapter V summarizes the study's findings and proposes future steps for HUD.

The Appendix contains the literature review.

B. Overview of Methodology

Data collection activities focused on in-depth, on-site interviews with individuals from local housing authorities, employment and training agencies, welfare offices, and community-based organizations in five cities: Baltimore, Boston, Los Angeles, Milwaukee, and San Antonio.

Given both the small number of sites visited and the significant flexibility HUD provides its local operators in the design and operation of its programs, this study was not intended as an evaluation of any specific HUD program or particular housing authority. Rather, the purpose of the study was to evaluate HUD's employment and training strategy on the whole, exploring the program activities individually, as a group, and in concert with the larger efforts in the community to help welfare recipients sustain employment. The study focuses on the following questions:

(1) What are the specific service components of HUD employment and training programs?

(2) To what extent are the practices consistent with the known research on the effectiveness of those service approaches?

(3) What is the nature of the linkages between the HUD programs and the programs being provided through the larger human services and employment and training systems in the community?

We began the project by reviewing the evaluations of employment and training programs that targeted welfare beneficiaries. We focused on the following criteria of success: Did the program increase employment? Did the program increase wages? Did the program decrease welfare

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receipt and/or welfare payments? We summarized the common elements of these employment and training programs and assessed the degree to which HUD's programs share the components of successful employment and training programs.

A number of criteria were used to select five sites for review.

- *Richness of HUD programs.* We categorized HUD programs as core and secondary. Four programs, FSS, EDSS, HOPE VI, and Youthbuild, were designated as core programs because they share many of the components of the employment and training programs reviewed in the literature. We attempted to select sites that had all four programs, in addition to numerous secondary programs.

- *Welfare reform issues.* We selected sites with varying approaches to time limits, work requirements, and earnings disregards. These issues presented differing challenges for the HUD programs that serve HUD-assisted households.

- *Geographic distribution.* We included sites from the East (Boston and Baltimore), the South (San Antonio), the West (Los Angeles), and the Midwest (Milwaukee).

Key features of the five sites reviewed are summarized below.

Site Characteristics

	Baltimore	Boston	Los Angeles	Milwaukee	San Antonio
Units					
❑ Conventional P. Housing	17,100	14,440	8,800	4,000	9,400
❑ Section 8[6]	11,300	8,400	44,000	4,800	9,500
Residents	55,000	26,000	124,150	23,150	14,000
% Residents on TANF[7]	15%	24%	40%	9%	35%
Local Labor Department	Office of Economic Development	Mayor's Office of Jobs and Community Services and Private Industry Council	Community Development Department	Private Industry Council of Milwaukee County selected five "Wisconsin Works" (W-2) agencies to operate employment & training services	Alamo Workforce Development
TANF Agency	Department of Social Services	Department of Transitional Assistance	Department of Public Social Services	The five "W-2 Agencies" administer the TANF program	Texas Department of Human Services
HUD Programs Visited					
EDSS		X		X	
FIC	X		X	X	
FSS	X	X	X	X	X
HOPE VI	X	X	X	X	X
Jobs Plus	X		X		
MTO		X	X		
N. Networks	X	X	X		
Section 3	X	X	X		X
Step-Up	X				
TOP		X	X	X	
YAP	X	X	X	X	
Youthbuild	X	X	X	X	X
DEG	X	X			X

[6] Includes Section 8 vouchers and certificates. Still awaiting confirmation from Baltimore.
[7] Proportion of non-elderly residents. Still awaiting confirmation from Baltimore.

CHAPTER I: EMPLOYMENT IS THE HALLMARK OF THE NEW WELFARE ENVIRONMENT

HUD's employment and training programs operate in an environment in which welfare recipients are required to work. Under TANF's rules, simply finding a job will not be enough, however. Welfare recipients need to find jobs that enable them not only to leave welfare but to remain off welfare as well.

A. PRWORA Fundamentally Changed Welfare Rules, Creating a Strong "Work First" Environment

On August 22, 1996, President Clinton signed PRWORA into law. The new welfare legislation repealed the 61-year-old AFDC program and replaced it with TANF.[8] The new law changed the nature of the welfare system by eliminating its entitlement status. The unlimited federal matching funds that characterized AFDC were replaced with fixed block grants. Each state's grant was based on its 1994 caseload. In addition, states must continue to spend their own funds. This "maintenance of effort" provision requires state spending to remain at or above 80 percent of 1994 spending levels. PRWORA also mandates a maximum five-year lifetime limit on federally funded benefits (although states can exempt up to 20 percent of their caseloads), and recipients are required to work after two years, or earlier at state option. Also, an increasing proportion of recipients must work each year: 25 percent of single parents were required to be engaged in work activities in FY 1997; by 2002, 50 percent must do so (U.S. House of Representatives, 1998).

Perhaps the most radical element of PRWORA is the devolution of the design, implementation, and management of welfare programs to the states. They determine the underlying philosophy of the program, the population that will be served, the size of the grant, the nature of mandatory activities, and the types of sanctions recipients face for not participating. States decide whom to exempt from work, when work starts, and how work is defined. States set asset limits (AFDC imposed a national limit), and can change the earned income that is disregarded for purposes of benefit calculation.

In essence, welfare reform created 50 state experiments. In some instances, decisions are made at the state level; in other cases, counties administer the TANF program. Employment and training services might be offered in-house by the welfare department; services might be contracted out to the state, county, or city department of labor, which already runs employment and training programs funded by the Job Training Partnership Act (JTPA) and other sources; or, welfare departments might engage non-profit organizations in the community. As a result, a housing authority that offers employment and training programs may have to work with numerous players and processes. These state variations also will affect how HUD employment and training programs operate at the local level.

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[8] PRWORA also repealed the Emergency Assistance for Needy Families and the Job Opportunities and Basic Skills Training (JOBS) programs.

B. State Characteristics and Policies

The TANF rules that govern the five state welfare programs in the sites that were visited are outlined in Table 1.1. In accordance with our study's goal, we visited sites with a wide variation in welfare policies. The welfare grant for a three-person family (one parent and two children) ranged from $188 per month to $673. Work requirements began immediately in some sites and after two years in others. Non-compliance with work requirements resulted in a full family sanction in two sites, and a partial grant reduction in three sites. We also observed variation in earned income disregard and transitional assistance policies.

As Table 1.2 indicates, each state has experienced a significant decline in its welfare caseload since 1994. Four states had declines that exceeded the national average of 49 percent. The cause of the declines is subject to debate. Some suggest that the decrease in caseloads is attributed to the 1996 welfare reform law and prior welfare reform initiatives (including state-level waivers from AFDC program rules) that required welfare recipients to work. Others claim that the decline in caseloads is attributed to the economic expansion experienced during the mid-1990s.[9]

[9] Historically, welfare caseloads have tended to rise during economic recessions and decline during periods of economic recovery. The current welfare caseload reduction coincides with a reduction of the unemployment rate. Although the unemployment rate began to decrease in 1992, it still remained above its 1990 level of 5.6 percent until 1994. As the unemployment rate continued to decrease throughout 1995 and 1996, the number of AFDC recipients fell (Lewin Group, 1998).

Table 1.1:
State TANF Program Overview

	California	Maryland	Massachusetts	Texas	Wisconsin
Grant	Los Angeles: $596 for a family of three.	$328 for a family of three residing in public housing and $388 for a family that does not reside in public housing.	Exempt families:[10] $539 for family of three that resides in public housing and $579 for a family that does not Non-exempt[11] families: $525 and $565, respectively.	$188 for a family of three.	Determined by rung on employment ladder: $673 for recipients in community service jobs; $628 for those in W-2 Transitions. Recipients in unsubsidized employment or trial jobs receive wages.
Time Limits	18 to 24 month consecutive time limit (new applicants vs. current recipients); 60 months lifetime. Time limit applies to adults only; children can continue to receive a grant.	60 month time limit. Time limits apply to the adults only; children can receive a voucher or grant paid to a third party.	Receipt is limited to 24 out of a continuous 60- month period. Time limit applies to entire family.	12 months for recipients with GED/diploma and work experience. 24 months for recipients with GED/diploma or work experience. 36 months for recipients with no GED/diploma or work experience. Time limit applies to adults only.	24 month consecutive time limit on any rung of employment ladder; 60 months lifetime. Time limit applies to entire family.

[10] Exempt from time limit and work requirement.
[11] Non-exempt caseload divided between those who are mandated to participate in the work program and those who are not. Presence of a full-time school aged child determines work requirement.

Table 1.1 (continued)
State TANF Program Overview

	California	Maryland	Massachusetts	Texas	Wisconsin
Work Req.	Recipients are required to accept any legal job and must work 32 hours per week (two-parent families are required to work 35 hours/week).	Recipients are required to work after 24 months for 25 hours per week.	After 60 days, non-exempt recipients must be in subsidized or unsubsidized jobs or participate in community service for 20 hours per week.	There is a 25-hour per week requirement for single parents and a 35-hour per week requirement for two-parent participants.	Adults are required to participate in program activities or work immediately; time requirements are generally 40 hours per week.
Sanctions	The adults are removed from the grant in instances of non-compliance (3 months for first sanction; 6 months for subsequent sanctions).	When the recipient is sanctioned, the grant is terminated until compliance (full family sanction).	Removal of adult's needs for first sanction; benefits are terminated in instances of continued non-compliance. Sanctions are lifted upon compliance.	Benefits are terminated in instances of non-compliance. Compliance reinstates the grant after the first sanction; repeated sanctions require 30 days of compliance before benefits are restored.	Recipient's benefits are tied to the number of hours that they work/participate and are decreased by the minimum wage for every hour of non-participation.
Earnings	$225 plus 50% of earned income and unearned disability income are disregarded.	20% of earnings disregard plus $200/month in allowable child care expenses.	$30 plus 50% for non-exempt recipients; $30 plus 33% for exempt recipients.	$90 deduction for each working household member plus standard $30 and 33%.	Grant amounts are based upon hours of work/program participation; there are no earnings disregards.
Transitional Asst.	12 months of transitional Medicaid assistance is available; 24 months of transitional child care is available.	Transitional Medicaid and child care assistance are both available for 12 months.	Transitional Medicaid and child care assistance are both available for 12 months.	18 months of transitional Medicaid assistance; 12 months of transitional child care.	Former recipients may receive 12 months of transitional Medicaid and up to 12 months of transitional child care.

Source: Site visits.

Table 1.2
Number of Individuals on AFDC/TANF, by State

State	January 1994	January 1995	January 1996	January 1997	January 1998	March 1999	Percent Decrease ('94-99)
California	2,621,383	2,692,202	2,648,772	2,476,564	2,144,495	1,818,197	30.6%
Maryland	219,863	227,887	207,800	169,723	130,196	89,003	59.5%
Massachu-setts	311,732	286,175	242,572	214,014	181,729	151,592	51.4%
Texas	796,348	765,460	714,523	626,617	439,824	313,823	60.6%
Wisconsin	230,621	214,404	184,209	132,383	44,630	28,863	87.5%
U.S. Total	14,275,877	13,930,953	12,876,661	11,423,007	9,131,716	7,334,976	48.6%

Source: U.S. Department of Health and Human Services, Administration for Children and Families: August, 1999.

C. Impact of Welfare Reform on Public Housing Residents or Families Receiving Section 8 Assistance

Public assistance is the primary source of income for almost one half of all families with children living in public housing or receiving Section 8 tenant based assistance. (HUD Research Fact Sheet, 1998). Families in assisted housing also comprise a significant proportion of the AFDC/TANF caseloads. A 1998 GAO study found that 29 percent of all TANF recipients nationwide also received housing assistance (GAO, 1998). While there is considerable state to state variation in this pattern, the overlap of housing assistance and welfare receipt has increased on a national basis since 1981 (Newman, 1999). Research on the characteristics of households that receive welfare and live in public housing shows they have been on welfare longer, on average, than other welfare recipients, and thus may be among the harder to serve population of welfare recipients (Newman & Harkness, 1999). On average, households receiving rental assistance also have extremely low incomes, approximately 21% of the area median income (HUD, 1998).

Welfare reform is having notable impacts on Public Housing Authorities (PHAs) as well as on welfare recipients, and these impacts are helping to transform public housing communities. The immediate reaction to welfare reform by welfare recipients is fear of the loss of their benefits if they are unable to find a job before their TANF benefits expire. The process of looking for a job and going to work may also be frightening for those with little work experience. Many also face real problems getting to employment locations and concerns about child care while they are away from home.

Once employed, many residents will need post-employment support and counseling to help them remain employed, advance in their current jobs, or find better ones. In many cases, entry-level jobs do not provide enough pay or benefits to replace all of the benefits received while on welfare, especially if child care and transportation services must be purchased. The transition to a stable work situation may involve a number of job changes, and result in a cycling in and out of the welfare system over a period of time.

These issues are largely the same whether a TANF recipient receives housing assistance or not; however, to the extent that assisted housing residents have been on welfare longer and have greater dependency on welfare as a source of household income, they may require more intensive training and services to make them job ready. Unlike other recipients, however, assisted housing residents do not need to fear a loss of housing or housing assistance if they make a good faith effort to find work and comply with other TANF rules. This is a great advantage and could make it easier for this group of TANF recipients to weather the challenges inherent in making the transition to work.

D. Impact on Public Housing Authorities

The most obvious challenge to PHAs from welfare reform is the potential rent loss that may result if residents lose some or all of their income as a result of changes in welfare policy. The loss of welfare benefits as a result of time limits or sanctions, and the effect of income disregards for welfare recipients that obtain employment, may significantly impact project revenues for some period of time. State welfare time limits and sanctions vary, but in almost every case, there is the potential that recipients that are not exempt from the rules will lose all or a part of their benefits if they are not employed within a specified period of time.

Public housing policy generally requires tenant rents to be reduced if income declines, so that rents do not exceed 30 percent of income. However, in an effort to be consistent with welfare reform, PHAs are prohibited from reducing rents when benefits are lost for failure to comply with welfare rules. For residents who make a good faith effort, but fail to find employment, their rent will be reduced if their benefits are reduced or eliminated due to time limits.

Given the large number of welfare recipients in public housing for which these benefits are the primary source of income, individual developments are likely to lose some rental income. A 1998 GAO review found wide variation in the conclusions of 13 studies examining the likely impact of welfare reform on HUD subsidies. For example, one study estimated that annual subsidies overall would need to increase by over 40 percent, while another projected a 20 percent reduction in the subsidy needs for a particular agency (GAO, 1998).

A HUD study of eight housing agencies found an approximate range of plus or minus 20 percent in the subsidy needed to offset the impact of welfare reform. The study also found that non-exempt welfare recipients[12] contribute as much as 30 percent of total PHA rent revenue, and in some cases almost two-thirds of these residents must find full-time work if tenant rent levels are to remain stable (HUD, 1998). Other studies also suggest that tenant income may rise considerably. This may be especially true in markets in which there are labor shortages, where employers are eager to train and hire welfare recipients at wages above an entry level rate.

This financial uncertainty for PHAs may be compounded by uncertainty over the funding of income disregards for tenants participating in a training program or employment by a previously unemployed household member. HUD's former mandatory policy to disregard earnings for up to 18 months was not in widespread use. Staff from several housing authorities suggested that

[12] The study defines "non-exempt" as recipients not exempt from the welfare work requirements.

there was concern that the resulting loss of income would not be recoverable from HUD subsidies. QHWRA replaced that policy with a mandatory disregard of all increased income from employment for an initial 12 months and 50 percent of increased income for a subsequent 12-month period. Under the new accounting rules for PHAs contained in QHWRA, it is not entirely clear how PHAs will be compensated for implementing the income disregard policies. Negotiated rulemaking is expected to address this issue as it applies to public housing units, but until that is complete, PHAs cannot fully gauge the financial effect of these "hold harmless" policies.

Uncertainty also exists with respect to the Section 8 vouchers and certificates administered by PHAs. If more subsidy is needed per unit to offset loss of income from tenant rent payment due to termination of welfare, PHAs may need to draw upon Section 8 reserves, if they exist, or face a possible reduction in the overall number of units that can receive assistance within the amounts provided under the existing housing assistance contract.

PHAs also face continued budget cutting pressures by Congress. All housing programs are being scrutinized in an effort to reduce subsidy costs. PHAs will be able to modify their tenant selection policies to give preferences to working families with higher incomes. Ceiling rents are one example of tools now available to PHAs to maintain existing working families in public housing as their income grows, by setting a limit on the amount a tenant's rent can be increased. While these are important steps that should ultimately result in the greater financial stability of developments, real increases in the share of rental income from tenants will occur slowly, as the new occupancy policies are applied over time.

E. Impact on Housing Communities

Welfare reform should also impact the way public housing communities operate. As a result of stringent work requirements, many more PHAs can be expected to become more involved in counseling, case management, and employment and training activities to help residents prepare for and find employment. In some cases, welfare services may be co-located with employment and training programs at housing developments, where the concentration of TANF households in public and assisted housing developments could make it easier for welfare agencies to reach a large proportion of their caseload. In addition, some housing authorities are already attempting to provide more job opportunities for residents in maintenance and modernization, using resident organizations as contractors, and in resident service positions supporting welfare to work activities. Many provide training and apprenticeship opportunities for these jobs, or to help residents start their own businesses, such as in-home child care.

These efforts may provide new energy to change the environment of many housing developments. Negative impacts on housing communities could result from tenants who do not comply with the rules of the new welfare environment and who will consequently face dire financial circumstances. Positive impacts on housing communities could result from more adults and youth being engaged in structured activities both on site and off, and a wide array of service providers interacting with residents. Some residents are also taking vocational classes at local community colleges or high schools. These relationships and activities may, over time, combine to break down the barriers that have made many developments isolated from the larger community. While the outcome for welfare reform will not be known for some time, the

integration of services should help many households receiving housing assistance increase their ability to become self sufficient, and in turn enhance their life choices. At the same time, changes in housing policy to encourage occupancy by residents with a greater mix of income levels should lead to more vibrant and economically viable public housing developments.

CHAPTER II: THE IMPORTANT ROLE OF HUD IN SUPPORTING TRANSITION TO WORK

A. Program History

When HUD officials articulate the view that public and assisted housing should be a platform for families to achieve self-sufficiency, they are bringing a much sharper and stronger focus to HUD's role and the role of housing assistance in fostering self-sufficiency. Public housing was initially intended to provide a pathway for working families to advance up the economic ladder. Over the years, the profile of those living in public or assisted housing changed dramatically, as a result of housing policies that targeted limited resources almost exclusively to the poor and unemployed; in public housing, this tended to create a de-facto holding area, in which families had limited access to the benefits of the larger society.

HUD has long recognized the important role that housing managers and owners can play in helping residents obtain services that will equip them for work. Beginning in 1984, with Project Self-Sufficiency, HUD initiated a series of demonstrations and programs to encourage and support action by PHAs and private landlords to help residents improve their education and their chances for employment. Over the next 15 years, Operation Bootstrap, Family Self-Sufficiency and similar initiatives tested various approaches and inducements to get PHAs and other housing providers involved in self-sufficiency efforts, and in forming linkages with the larger social service marketplace. Moreover, HUD's interest in welfare is not limited to the public housing venue, but includes other economic and community development programs such as Community Development Block Grants and Empowerment Zones/Enterprise Communities.

HUD has also collaborated in funding a number of research projects on welfare-to-work issues. Many of these initiatives were designed, often in partnership with foundations and others, to examine the dynamics of welfare reform as it affects housing residents, and the effect of housing assistance in supporting the transition to self-sufficiency.

As this study was undertaken, there were at least 12 programs or demonstrations in operation that HUD characterized as "welfare to work" initiatives. Each of the programs has a somewhat unique focus and characteristics, but all are intended to encourage housing providers to provide residents with the information, access to employment services and other transition services they will need to join the world of work successfully.

1) Program Framework and Current Programs

HUD requirements for each program are intentionally broad – that the local program address basic goals and objectives, and that a plan of services be developed to meet identified needs. In this way HUD sought to give PHAs great flexibility to design programs that fit within the overall welfare and economic environments in their localities.

Underlying HUD's thinking was the belief that housing developments should be closely linked to existing social service networks. In the past, service providers' targeting strategies may have overlooked public housing residents. In the new welfare environment, a wealth of funding is

available to provide services, and the work first mandate upon states should change the view of service providers toward assisted housing residents.

Service providers should recognize the leverage that this linkage will provide to help them meet their new welfare responsibilities. PHAs are logical partners to TANF agencies and job-training agencies, because of their ability to access the thousands of households on welfare rolls that are living in public or assisted housing. Moreover, the housing developments and housing authority offices have the physical space and facilities for on-site outreach activities and service delivery.

The following is a brief description of the HUD welfare-to-work initiatives examined in this study of the role of HUD programs. These descriptions identify the broad characteristics that seem most relevant to the current welfare environment. The actual design and the implementation in each locality depends heavily on the philosophy of the PHA with respect to their role in welfare reform, the state and local welfare policies and programs in effect, and the collaboration between local housing authorities and welfare and service providers.

a. Economic Development and Supportive Services

The Economic Development and Supportive Services (EDSS) program enacted in 1966 provides grants to PHAs to help residents obtain education, training, and social services needed to obtain and maintain employment.[13] Eligible activities include: job training, job search assistance, job development and placement, and continued follow-up assistance; literacy training, GED, ESL, junior college and trade school assistance; supportive services, such as outreach and referral services for substance and alcohol abuse treatment and counseling or mental health counseling; child care; transportation assistance; and case management. A majority of the proposed activities must be administered either on-site or at community facilities within easy access to the housing development.

b. Family Investment Centers

The Family Investment Center (FIC) program provided grants to PHAs for the construction of resource centers that could be used to provide services that would help families access basic education and training needed to become more self-sufficient.[14] FIC funds could be used for: renovation or conversion of vacant dwelling units to create common areas to accommodate the provision of supportive services; the acquisition, construction, or renovation of facilities located near the premises of one or more housing developments to accommodate the provision of supportive services; the provision of up to 15 percent of the total cost of supportive services; or the employment of service coordinators. Eligible supportive services include: childcare; job training and placement; computer skills training; education (including GED, ESL, and post-secondary); and case management. New funding for the program ended in 1995, although some grants are still active.

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[13] In 1999, HUD implemented the Resident Opportunities and Self-Sufficiency Program (ROSS), which consolidates and replaces EDSS and TOP.

[14] Although FICs are no longer funded, the facilities constructed with the grants continue to operate.

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c. Family Self Sufficiency

The Family Self-Sufficiency (FSS) program was created to help residents of public housing and recipients of tenant-based Section 8 assistance become self-sufficient through education, training, and the provision of supportive services, including case management. A participant must sign a contract with the PHA specifying what steps both the family and the PHA will take to promote the family's financial independence. Incentives for resident participation in the program include the ability to fund an escrow account in lieu of making higher rent payments as a result of increases in earned income during the term of the contract. During participation in the program, escrow funds can be used to help pay for college tuition or for other purposes consistent with the contract of participation. After completing the program, a participant can use funds for any purpose. The PHA must have a HUD-approved Action Plan developed in consultation with a local Program Coordinating Committee (PCC) comprised of representatives of local government, job training and employment agencies, local welfare agencies, educational institutions, child care providers, non-profit service providers, and businesses.

d. HOPE VI

The goal of HOPE VI is to revitalize severely distressed public housing developments and to create economically mixed neighborhoods by replacing aging, densely populated and economically isolated high rise developments with lower density, newly constructed single family and rental housing units. In addition to a development plan that meets these goals, each grantee must submit a Community and Supportive Services Plan (CSS) that identifies resident service needs and a plan of action for meeting these needs through community service providers and partners. Successful applications demonstrate coordination with welfare reform requirements and incorporate opportunities for resident self-sufficiency, particularly for persons enrolled in welfare-to-work programs. Factors HUD examines include: consistency with state and local welfare reform goals; resident training, self-motivation, employment, and education; opportunities for economic and retail development at or near the public housing site, as appropriate; commitments by service providers; and potential employment opportunities for residents who complete community and supportive service training.

e. Jobs Plus

Jobs Plus is a demonstration program constructed by HUD, HHS, Manpower Demonstration Research Corporation and several foundations to test the impact of intensive and integrated employment and support services upon the transition of welfare recipients to work. The demonstration, which is operating in seven cities at eight public housing sites, attempts to measure the effect on employment, income, and welfare receipt of resident participation in a collaborative program that strongly emphasizes rapid employment, provides targeted employment training and education and creates an environment that supports work. A local collaborative of Public Housing officials, resident organizations, TANF and employment and training agencies will design and implement local programs to "saturate" the sites with services to support rapid employment and transition to self-sufficiency.

f. Moving to Opportunity

Moving to Opportunity (MTO) is a 10-year HUD demonstration program in five cities that combines tenant-based rental assistance with housing counseling to help very low-income families move from areas of high concentration of poverty to low-poverty neighborhoods. MTO will test the impact of housing counseling and other assistance on the housing choices of Section 8 households and the long-term effects of moving to low-poverty neighborhoods on the housing, employment, and educational achievements of the assisted households.

g. Neighborhood Networks

The Neighborhood Networks initiative encourages the development of community-based resource and computer learning centers in privately owned HUD-insured and -assisted housing. The goal is to increase residents' employment opportunities, improve educational performance of children, empower residents, and decrease residents' dependency on federal assistance. Neighborhood Networks is not a grant program; it encourages centers to become self-sustaining through partnerships, business opportunities and other income-generating options. While each program is unique, Centers usually offer computer access and training, Internet access, job readiness support, GED certification, health care and social services, adult education classes, and youth services.

h. Section 3

Pursuant to Section 3 of the Housing and Urban Development Act of 1968, recipients of HUD funding must provide, to the greatest extent feasible, low- and very-low income persons living in or near public or assisted housing with a portion of the training, employment, and contracting opportunities that are generated by HUD financial assistance. Activities supported by assistance given to housing authorities for the construction, modernization, and/or operation of public housing developments are subject to Section 3 requirements. Section 3 applies to a broad range of activities within a covered project, including architectural services, construction, landscaping, maintenance and repair, purchasing, word processing, accounting, catering, and others. While these positions would ideally result in permanent employment for residents, there are limitations to project- or contract-related work. Although the regulations specify standards for technical compliance, methods for linking residents with jobs and contracts are not prescribed. Because there is no funding for Section 3, PHAs must use other sources of funds or rely on partnerships with service providers to establish training and supportive service programs.

i. Step-Up

The Step-Up program goal is to move people from welfare and unemployment to self-sufficiency through pre-apprenticeship training that will enable participants to qualify for apprenticeship programs. In addition, participants earn income as they train, generally over a one-year period. At the national level, the Step-Up program provides a framework within which local programs are designed and implemented. Local programs create partnerships with the U.S. Department of Labor or state approved apprenticeship programs for on the job training, and with local providers of education to provide supplemental classroom training and GED programs. Funding comes from a variety of federal, state, local, private and non-profit sources. Step-Up has historically

focused on building maintenance and construction, but some programs have started to initiate training in day care as well. In general, participants work for an employer as a pre-apprentice for a maximum of one year and spend approximately half of their time receiving classroom instruction to earn their GED or high school diploma.

j. Tenant Opportunity Program

The Tenant Opportunity Program (TOP) seeks to strengthen Resident Organizations (ROs) by providing grants for organizational development, self-sufficiency activities, and conflict resolution.[15] HUD awards TOP grants in three categories: Economic self-sufficiency, organizational development, and mediation. Economic self-sufficiency (ESS) grants provide assistance to site-based ROs to establish programs that help move welfare-dependent families to work. Eligible ESS grant activities include: feasibility studies to determine training and social service needs; training in management-related trade skills and computer skills; coordination of support services (including child care, educational services, and health care outreach); business development training; and technical assistance for job training and placement programs. Organizational development grants provide assistance to help residents establish or enhance the capacity of an RO. Mediation grants help provide training for conflict resolution between ROs and their housing authorities.

k. Youth Apprenticeship Program

The Youth Apprenticeship Program (YAP) aims to be a comprehensive job linkage program, providing residents with education and skills training, job experience, and ultimately, job placement. Grants were awarded to eight housing authorities in 1995. The YAP utilizes a multi-step approach to assist young residents (ages 16 to 30) of public and HUD-assisted housing to achieve self-sufficiency including paid community service, pre-apprenticeship training and apprenticeship placements. Each YAP site must partner with a minimum of three organizations: a youth corps to operate the initial pre-employment component of the program; a local labor organization to facilitate participants' entry into apprenticeships; and a multi-employer organization to provide "assured" employment of apprentices for a minimum of 30 months. Additionally, HUD encourages sites to utilize local service providers for recruitment assistance, case management, childcare referrals and other essential services.

l. Youthbuild

Although not specifically focused on welfare recipients, Youthbuild provides low-income and very low-income young adults between the ages of 16 and 24 with opportunities to obtain education, employment skills, and on-site construction work experience as a service to their communities and a means to help residents achieve self-sufficiency. Participants are typically high school dropouts, although a portion of the participants may be high school graduates. The national Youthbuild office requires three components when it administers grants to local programs. First, a Youthbuild program must emphasize educational and job training services. Educational services generally focus on secondary education so that the participants may earn a GED. Job training services include topics such as how to look for a job and how to fill out an

[15] ROSS consolidated and replaced TOP and EDSS.

application. Second, Youthbuild programs must provide on-site training on the rehabilitation or construction of affordable housing. Finally, support services such as leadership training, substance abuse prevention counseling, and transportation assistance must be provided.

m. Drug Elimination Grant

The Drug Elimination Grant Program is not a welfare-to-work initiative per se, but a program designed to help PHAs address problems of drug abuse and crime in public housing developments. Grantees have been able to fund program activities and services that were reasonably related to drug abuse and crime prevention, including job training and education. The flexibility has enabled PHAs to use grant funds for resident services and programs that benefit welfare recipients and their families.

B. New Legislative Mandates and Initiatives Reflect Changing Environment

As the momentum of welfare reform has grown, Congress and the Executive Branch have incorporated the philosophy of work first in a range of legislation and programs. The Quality Housing and Work Responsibility Act of 1998, a comprehensive public housing reform bill, and the provision of Welfare to Work Section 8 vouchers are among the most significant legislation affecting public housing authorities. The following are brief descriptions of this legislation and HUD's continued effort to refine its welfare to work programs.

1) Quality Housing and Work Responsibility Act

The Quality Housing and Work Responsibility Act (QHWRA) establishes a number of important public housing policies to help housing residents become self-sufficient and strengthen the role and responsibility of PHAs in addressing poverty and resident self-sufficiency issues. It provides important tools to housing agencies to establish policies that will encourage unemployed residents to find work and working families to remain in public housing. PHAs are also explicitly encouraged to develop cooperative arrangements with welfare agencies to target services to assisted housing residents, including bringing employment and training services on-site to facilitate participation by residents.

QHWRA gives additional discretion to PHAs regarding eligibility standards and rent policies for public housing that will expand the income mix in the program and help ease the transition to work for TANF recipients.

The additional discretion allows PHAs to:

- Establish eligibility policies that give preferences to families on waiting lists that are making the transition from welfare to work; and expand policies that allow for occupancy by higher income households, while meeting new income targeting guidelines;

- Establish ceiling rents below current "economic rent" levels, to attract and retain working families;

- Give public housing residents a choice of paying flat rents or income-based rents in order to eliminate the work disincentive for working families and encourage them to stay in public housing; and

- Implement reasonable minimum rent policies to help preserve the financial stability of properties.

As discussed earlier, QHWRA replaced HUD's existing income disregard policy, which only applied to public housing residents, with a new 24-month policy that applies to public housing and may be applied to Section 8 programs, if funding is appropriated by Congress. Residents currently receiving TANF assistance or those that received assistance within the prior six months are eligible for the disregard, as are households whose total income has increased as a result of employment of a previously unemployed family member or as a result of participation in a family self-sufficiency or job training program. PHAs continue to have the authority to establish their own earnings disregard policies for public housing tenants. The new Act also gives PHAs the authority to disregard other types of income beyond earnings, such as pensions and public assistance.

QHWRA also changes current policy for the Family Self-Sufficiency (FSS) program, eliminating the mandatory features of the existing FSS program for new incremental Section 8 units, and reducing the existing participation requirement by the number of families that successfully complete their contracts of participation. Limited HUD funding for program services remains an issue of concern to PHAs that are not eligible for or have not received competitive grants for service coordination (Center for Budget and Policy Priorities, 1998).

2) FY 2000 HUD Budget - Welfare to Work Vouchers

HUD's 1999 Welfare to Work Voucher initiative is one of the most exciting new opportunities to help welfare recipients who need housing assistance to obtain employment. Families eligible for, currently receiving, or who have left public assistance in the last two years are eligible, except those currently holding Section 8 vouchers or certificates. HUD's goal is to use the vouchers, in conjunction with other social service funding, as a means of helping welfare recipients to seek or maintain employment.

Funding for 50,000 vouchers has been approved to help welfare families find or retain housing in areas with high job opportunities or with transportation systems that link to such employment areas. The vouchers were awarded on a competitive basis to 121 state and local housing agencies that demonstrated that the vouchers will be used as part of a coordinated plan of employment and training services. The plans were developed in cooperation with Department of Labor Welfare to Work administering agencies, and have the support of TANF administrative agencies and other service agencies.

3) Resident Opportunities and Self-Sufficiency Program

HUD has continued to refine its welfare-to-work initiatives to bring them into alignment with the current welfare environment, with Jobs Plus as a primary example. In 1999, HUD implemented the Resident Opportunities and Self-Sufficiency Program (ROSS) which consolidates and replaces EDSS, TOP and Public Housing Service Coordinators, and provides grants to public

housing agencies for supportive services, resident empowerment activities, and employment and training services. ROSS grants are intended to strengthen resident organizations' capacity to increase resident involvement in their housing developments, and to help residents obtain employment training or to set up their own businesses. Funds may also be used for facility improvement for centers providing self-sufficiency related services and activities. Grants will be targeted to properties where more than half of the residents receive TANF benefits or are otherwise affected by welfare reform, and to programs with significant welfare-to-work focus and linkages to TANF agencies and other service providers.

C. Creating Successful Housing and Welfare Strategies at the Local Level

Housing authorities have a great deal of discretion in the provision of employment and training initiatives for residents. As noted earlier, HUD requirements for each program are purposely simple to allow housing authorities the flexibility to shape programs to local needs. PHAs decide whether services will be offered on site or off site; whether their staff or others from the community will provide services; and whether activities are determined centrally or by individual housing developments. PHAs can choose whether to operate their own employment and training programs or to help residents obtain services from other providers in the community.

Although PHAs have flexibility in service design, state and local welfare rules provide the platform upon which welfare-to-work service programs are built. While the philosophy of federal welfare reform is to move recipients into employment as rapidly as possible, state discretion in setting policies with regard to time limits and sanctions are the determinant factors in program design. State and local welfare departments also have the option of offering employment and training programs in-house or utilizing other services in the community, such as labor department programs.

The degree to which PHAs are involved in the larger employment and training environment varies considerably. PHAs may help with information dissemination and referrals, may provide facilities for centralized delivery of services, may be a vendor of employment and training services, may provide direct services such as adult education and child care, and may be a source of employment through creation of Section 3 jobs. Participation in PHA programs may or may not count toward a TANF recipient's work requirement.

The five housing authorities we visited had unique philosophies regarding the role of housing providers in the provision of employment and training services.

1) Baltimore

The housing authority takes a comprehensive approach to meeting the needs of its economically disadvantaged residents. While advocating a "work first" approach to welfare, the housing authority recognizes that residents need jobs that can sustain them. Its role is not only to provide stability through the provision of housing, but also to help residents achieve self-sufficiency by offering a broad array of employment and training programs as well as supportive services, such as on-site child care, at its developments. The job placement programs were designed based on

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analyses conducted by local universities that determined which occupations were declining and expanding locally.

The housing authority is part of the Department of Housing and Community Development, whose commissioner serves in the Mayor's cabinet. Housing authority staff has a long history of joint collaboration with their counterparts at the welfare and labor agencies. Housing authority staff negotiated with the welfare department to count HUD employment and training programs toward the TANF work requirement. Under Maryland law, welfare recipients must work after 24 months of benefit receipt. Work is defined broadly to include 25 hours per week of unsubsidized employment, job search, subsidized employment, work experience, on-the job training, and education or training directly related to employment. Housing authority staff has also worked on joint-planning efforts with the local labor agency, including the People Accessing Continued Employment (PACE) program. Under PACE, staff from the Office of Economic Development is co-located at several housing developments to provide employment-related services to residents.

2) Boston

The housing authority recognizes that many residents have numerous psychological and social problems that affect their ability to work toward self-sufficiency. Providing a multitude of services, including employment and training and barrier amelioration assistance, to a diverse and dispersed population, has been a challenge. The housing authority does not have the funds to offer on-site training and social services at every development. Nor does the authority believe that it should be funding or providing services that are available either in the immediate neighborhoods surrounding the developments or accessible by public transportation. The housing authority's efforts to help residents attain self-sufficiency are highly decentralized and guided by three principles. First, residents should use services that are widely available off-site. Second, the housing authority's role is primarily as a referral agent to other service providers. Finally, the tenant organizations should take the lead on addressing the needs of their residents. High level housing authority staff has not coordinated employment-related services with their counterparts at the welfare and labor agencies. However, resident associations and development-level staff have established a relationship with these agencies.

HUD programs are not allowable work activities for TANF clients required to participate in the work program.[16] Cash receipt is limited to 24 months during a continuous 60-month period. The work requirement begins after 60 days of benefit receipt. Work is defined as 20 or more hours per week of unsubsidized employment, subsidized employment, community service, or combining work and community service.

3) Los Angeles

The housing authority aims to create communities that focus on economic development and self-sufficiency. Accordingly, public and assisted housing should be transitional, and afford residents the opportunity to work toward accumulating capital and moving into their own homes. The housing authority is creating an infrastructure within individual developments that aids self-

[16] Recipients with children who are mandatory full-time school age.

sufficiency, including child care centers, computer learning centers, and transportation assistance. The housing authority also has a formal relationship with over 90 non-profit organizations. Not only do these organizations offer training and other supportive services, they seek to help Section 8 households work toward self-sufficiency. The housing authority is also unique in terms of the extent to which individual developments offer training and employment opportunities to residents through both its own construction company, Kumbaya, and resident-management corporation businesses, funded as part of meeting Section 3 goals.

In addition to operating a number of HUD employment and training programs, the housing authority obtained funding to develop innovative employment-focused programs that are tailored to the needs of its residents. Most recently, it won a competitive Welfare-to-Work grant from the U.S. Department of Labor. Interagency collaboration between the housing authority and the labor department is also strong. The two agencies worked together to create satellite one-stop career centers at a number of housing developments. Although the welfare department and housing authority have had little interaction in the past, the advent of welfare reform spurred some collaboration between the two agencies, particularly with regard to the Welfare-to-Work and Jobs Plus programs.

Under California welfare law, individual counties have flexibility in determining services and work requirements for TANF clients. In Los Angeles, a client on welfare is eligible for 18 or 24 months of welfare-to-work services through the Greater Avenues to Independence (GAIN) program, depending upon when welfare receipt began. The GAIN process begins with a three-week job club. If the client does not find a job during this time, the welfare case worker and client develop a welfare-to-work plan. Clients must work for 32 hours per week to maintain benefits. Allowable activities include unsubsidized and subsidized employment, job search, community service, vocational training, and jobs skills training or education directed related to employment. Participation in HUD programs can count for the 32-hour work requirement if the client is enrolled in the program at the time of GAIN orientation. Also, after the initial three-week job club, TANF clients can seek employment and training services through the housing authority so long as the welfare agency certifies participation.

4) Milwaukee

The housing authority's philosophy is that work is healthy -- working adults not only feel better about themselves, they provide positive role models for children and others in the community. The employment and training programs reflect this philosophy. Consistent with the state of Wisconsin's work-first approach, the programs focus on helping residents find employment at the earliest possible time; training is secondary. As such, the housing authority aims to provide residents with tools and services to become economically independent. It adapts HUD programs to meet local needs. Staff strongly believes that local labor market conditions and resident needs should drive program content. For example, if the vast majority of potential employees are women with small children, a program that focuses on placing its graduates in construction jobs that have long hours away from home would not make sense. Once the housing authority determines the services that are needed, the programs are shaped accordingly. In addition, the housing authority views on-site service providers as bridges to the community. Currently, it has relationships with over 20 community-based organizations that provide on-site child care, crime prevention, health and nutrition, employment, recreational, and social service programs. Every

family development has service providers located on site. The housing authority has a history of collaborating with the County welfare department and the agencies that operate the one-stop job centers. Agency staff is on site at two of the five family developments to provide eligibility determinations for TANF, Food Stamps, Medicaid, and child care.

In Wisconsin, the welfare system leaves little room for education and training. A client who applies for welfare is assessed by a case worker and placed on one of four employment ladder rungs: unsubsidized employment, subsidized employment, community service jobs, or transition jobs. Work begins immediately. There is a two-year time limit for each rung and a 60-month lifetime limit on assistance. HUD programs do not count toward the work requirement.

5) San Antonio

The housing authority is committed to building and maintaining affordable housing and creating safe neighborhoods. More recently, it has begun to encourage self-sufficiency and homeownership among residents of developments and recipients of Section 8. To achieve these ends, the housing authority partners with a variety of organizations to provide housing, education, and employment opportunities for residents. The housing authority has established linkages with CBOs for education and support services, including parenting education and child care. The authority also uses HUD funding streams and its operating budget to craft innovative programs. The Drug Elimination Grant funds resident employment initiatives. HOPE VI funds contribute to the development of one-stop career centers at nine housing projects. The housing authority signed a memorandum of agreement with the local welfare and labor agencies to provide services at these centers, including TANF and Food Stamp eligibility assessments, job search assistance, and job retention services. An operating budget-funded training program prepares residents for clerical and maintenance positions within the housing authority.

Under Texas welfare law, the time clock begins when a client enrolls in the welfare-to-work program, Choices. Time limits range from 12 to 36 months, depending upon a client's education and work experience. Adults participating in Choices must engage in work activities for 25 hours per week. The goal is employment at the earliest possible opportunity, so most clients engage in job readiness training or job search. Education and training is permitted only when an individual cannot secure unsubsidized employment. HUD programs do not count toward the TANF work requirement.

CHAPTER III: HOUSING AUTHORITY EMPLOYMENT AND TRAINING SERVICES FOR TANF RESIDENTS OFTEN INVOLVE WELFARE AND LABOR AGENCIES

A. Introduction

This study concerns the degree to which HUD employment and training programs have adapted to the new welfare environment. However, housing authority programs do not operate in a vacuum. Their ability to help residents move from welfare to work depends in large measure on the extent to which they are connected to the broader employment and training systems established by the welfare and labor agencies.

Collaboration among the housing authority, labor department, and welfare department makes sense intuitively. They share common populations, and most housing authority residents are eligible for the labor department's JTPA-funded services (determined by income, number of weeks unemployed, and/or reason for job loss). The issue is not so clear cut, however. Welfare and labor departments often have separate, parallel systems that serve overlapping populations. HUD programs that serve TANF recipients need to find ways to collaborate productively with these other services.

The environment in which housing authority programs operate covered the spectrum from separate welfare and labor employment and training systems to one fully integrated system. In Los Angeles, for example, the welfare and labor departments operated separate employment and training systems. In two sites, Baltimore and Boston, the welfare department contracted with the labor department to provide employment and training services to its clients. In San Antonio, the labor department operates all employment and training programs. Finally, in Milwaukee, the welfare and labor departments are integrated into a single entity.

We noted some strong collaborative efforts among housing authorities and labor and welfare agencies to help welfare recipients attain self-sufficiency in three sites. These generally involved the housing authority working with the labor department, although in some instances the welfare agency also participated. One HUD program, Jobs Plus, required welfare and labor department collaboration.

Finally, we observed more limited collaboration between programs that target Section 8 clients and the welfare and labor departments.

B. Collaboration varies across sites

We found varying degrees of collaboration between the housing authority and welfare and/or labor agencies in all five sites. In some cases, collaboration occurs at the administrative level. That is, senior housing authority and welfare or labor agency staff worked together to design or fund programs. In other instances, service delivery-level staff works together at the program or development level.

1) Baltimore and Milwaukee had the highest level of collaboration with the welfare and labor agencies

In Baltimore, integration among employment and training programs for TANF recipients begins at the highest level. For example, the housing authority has worked with the labor department, the Office for Employment Development (OED), and the welfare agency, the Department of Social Services (DSS), to design programs for residents, including Step-Up and Jobs Plus. OED and the housing authority also collaborated to create an employment service program at targeted developments. Staff from both agencies is co-located at selected developments. In addition, OED and DSS provide funds for certain housing authority employment and training initiatives. "Grant diversion," or the process of using the grants of participants on TANF to offset the cost of a program, is employed for some housing authority programs, and a Memorandum of Agreement between DSS and the housing authority outlines the specific arrangements between the two organizations.

In Milwaukee, housing authority staff described a good relationship with the Milwaukee County Department of Human Services (MCDHS) and the five agencies with contracts to administer the TANF program and the one-stop job centers ("W-2 Agencies"). The housing authority staff and MCDHS have worked together on planning efforts, such as determining the types of services to offer at a HOPE VI site. When welfare reform was implemented, the housing authority served as a site for about 200 community service placements. In addition, both MCDHS and two W-2 agencies now co-locate staff at two developments. MCDHS provides eligibility determinations for food stamps and Medicaid; the W-2 agencies perform initial client assessments, work with clients to create employability plans, and hold employment-related workshops.

2) Collaboration between the housing authority and labor agency is strong in Los Angeles

The housing authority and the labor agency, the Community Development Department (CDD), have engaged in a number of joint planning efforts. For example, the housing authority is under contract to CDD to provide satellites to the one-stop career centers at a number of developments. CDD also provides funding for the housing authority's Welfare-to-Work program (described in more detail below). While interaction between the housing authority and the welfare agency, the Department of Public and Social Services (DPSS), was limited in the past, the two entities are beginning to collaborate. DPSS, along with CDD, helped design the Jobs Plus program and is co-locating staff at the two Jobs Plus developments. DPSS also certifies the eligibility of TANF clients who want to participate in the Welfare-to-Work program.

3) San Antonio is expanding its relationship with the welfare and labor agencies

The housing authority and labor agency, Alamo Workforce Development (AWD), have worked together on training initiatives in the past. AWD's vendors, for example, provide training for the housing authority's maintenance/repair training program and Economic Development program (funded by the DEG). The relationship between the housing authority and the local welfare agency, the Texas Department of Human Services (TDHS), however, has consisted primarily of sharing information. Recently, the housing authority, TDHS, and AWD collaborated on a new

initiative, the ROAD Centers, which will provide one-stop services at nine housing developments. (The Centers are described in more detail below.)

4) Collaboration in Boston is limited

Senior staff at the housing authority has not engaged in collaborative efforts with their counterparts at the Mayor's Office of Jobs and Community Services or the Private Industry Council, the two entities that administer employment and training services in Boston as well as the three one-stop career centers. Nor does the housing authority coordinate employment and training efforts with the welfare agency, the Department of Transitional Assistance (DTA). Although high-level staff does not work together, there is evidence of coordination at the housing development level. For example, staff members at one of the HOPE VI developments contact their counterparts at DTA regularly to secure child care vouchers for residents. There is also evidence of collaboration among front-line housing authority and labor staff. FSS coordinators participate in monthly welfare-to-work advisory meetings convened by the Private Industry Council. In the future, the staff from the one-stop career centers will provide on-site assessments of residents at the seven developments targeted by the EDSS grant.

C. HUD Programs generally do not count toward TANF work requirements

Participation in HUD programs was an allowable work activity for welfare clients in only one site, Baltimore. In a second site, Los Angeles, the welfare office could approve participation only after job search activities proved unsuccessful. The three remaining sites had welfare rules that were heavily work-focused and did not allow residents' participation in HUD program to count toward the TANF work requirements.

In Baltimore, welfare clients are assessed by DSS for education, work history, and need for supportive services, before being referred to other agencies or organizations for training services. DSS will accept participation in all of the housing authority's programs as meeting the work requirement. In addition, the housing authority is negotiating with DSS to become a vendor, meaning it would receive funds from DSS to provide employment and training services for welfare recipients.

The welfare program in Los Angeles, Greater Avenues for Independence (GAIN), begins with a three-week job club. If the client does not find employment during this time, the welfare case worker and the client develop a welfare-to-work plan, which may include job search, work experience, or education and training. Once the plan is in place, TANF recipients can seek employment and training services through other venues, including the housing authority or the city's one-stop career centers. For participation to count toward the TANF work requirement, housing authority program staff or one-stop staff needs to certify to DPSS that residents are, in fact, participating in approved activities.

In the remaining three sites, acceptable work activities for TANF clients are generally restricted to job search. Once employed, even at a low-wage job, TANF clients often earn too much to receive cash welfare payments, although they may still be eligible for supportive services.

In Boston, welfare clients who are not exempt from the time limit and required to participate in the work program[17] must work in unsubsidized employment or community service jobs for 20 or more hours per week after 60 days of benefit receipt. These requirements leave little time for education or training. Job placement begins at the DTA office with a brief assessment. Once a case worker determines that a client is not exempt from work, the client must begin a job search. This might involve referrals to one of three one-stop career centers for a more in-depth assessment, job search, and job placement services. A client who cannot find unsubsidized employment can participate in subsidized employment or work experience. In general, housing authority programs are not allowable work activities, although, as described below, DTA will make exceptions on a case-by-case basis.

Milwaukee TANF recipients are required to begin a work activity immediately. A client who applies for welfare visits the job center in her district of the city, where she is assessed by a case worker and placed on one of four employment ladder rungs: unsubsidized employment, subsidized employment, community service jobs, or transition jobs. In addition to determining TANF eligibility, the job center provides employment services. The housing authority's employment and training programs do not count toward the work requirement.

TANF recipients in San Antonio are also required to engage in work activities for 25 hours per week. The goal is employment at the earliest possible opportunity, so most clients engage in job readiness training or job search. Education and training are permitted only when an individual cannot secure unsubsidized employment. Given the strong work focus of welfare, the housing authority's employment and training programs do not count toward the TANF work requirement.

D. Primary focus of collaboration on employment and training services for TANF recipients is often outside of discrete HUD programs

In three sites, the major housing authority efforts to help TANF recipients with employment and training needs fall outside of specific HUD programs. All three involve active collaboration with the local departments of labor and, in one instance, the welfare department.

1) Los Angeles Welfare-to-Work and One-Stop Center "Satellites"

In Los Angeles, the housing authority's most significant program for residents receiving TANF is the Welfare-to-Work program, funded by a competitive Department of Labor Welfare-to-Work grant. This program involves collaboration with CDD and, more recently, DPSS. The program aims to place 1,000 residents in permanent, unsubsidized employment by December 31, 2000. The program includes assessment, case management, job placement services, and, for those who are not job-ready, work experience placements. CDD provides funding and space for Welfare-to-Work staff. While the primary funding source is a competitive Department of Labor grant, the Private Industry Council, which, along with CDD, administers employment and training services, provides funding to serve an additional 300 individuals.

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[17] Clients with children who are mandatory full-time school age must participate in the work program.

For TANF recipients to receive employment and training services through the welfare-to-work program, DPSS must certify their eligibility. This can happen in one of two ways: DPSS can directly refer TANF clients to the program for services, or the housing authority can recruit eligible clients and then seek DPSS certification ("reverse referrals"). While the number of direct referrals from DPSS has steadily increased, approximately 85 percent of clients are still recruited via reverse referrals. DPSS co-located two staff members to the Welfare-to-Work program once a week to help process new clients and resolve any problems.

Another major employment and training initiative in Los Angeles is the one-stop "satellites." The housing authority, under contract with CDD, established on-site employment and training service centers at five of its housing developments and the Family Investment Center. In addition, two new satellites are opening at the Jobs Plus developments. The housing authority receives $3.6 million annually from CDD for the satellites.

Generally, one-stop satellite employment and training services include employment placement, referrals for education and training (on-the-job and classroom) to CDD vendors, referrals to social service providers, career resource centers (with job listings, phone banks, Internet access), workshops, and job clubs. While in training, participants are eligible for assistance with child care and transportation.

2) Baltimore PACE Program

In Baltimore, the housing authority and OED created the People Accessing Continued Employment (PACE) program at four developments that house HUD programs: two FIC sites, a HOPE VI site, and the Jobs Plus development. PACE provides pre-placement, post-placement, and job-replacement services, as well as support services and job clubs for the residents. OED staffs and operates the program.

PACE focuses on the entire family, as opposed to focusing solely on the employment and training needs of the leaseholder. Along these lines, PACE identifies and deals with barriers to employment up-front, before focusing on job search. PACE also focuses on training for a career. Staff inquires about work histories and develops employment approaches accordingly. The PACE Job Club is designed as a support for people who are already working.

3) San Antonio ROAD Centers

In San Antonio, the Resident Opportunities for Achievement and Development (ROAD) Centers involve a collaboration among the housing authority, AWD, and TDHS. The collaboration among the three agencies began after the passage of the state's welfare reform law. The housing authority is providing space for the Centers, while the other partners are contributing staff. Each ROAD Center will provide on-site case management, and a range of job search tools including Internet access, job descriptions and applications, assistance to complete applications, resume writing assistance, and access to basic skills training. The first ROAD Center opened in summer 1999; the remaining eight will be on line by September 2000. Each agency will provide the following services:

- The housing authority will contribute space at nine developments for the ROAD Centers. In addition, FSS coordinators will be located on-site to provide referrals to educational training, employment, and supportive services.

- TDHS will provide on-site staff to make eligibility determinations for TANF, Food Stamps, and Medicaid. In addition, a Texas Works Community Service Advisor will coordinate with other staff to reach residents most in need of services. (Three Advisors will serve nine ROAD Centers.)

- AWD, through its contractor, SER-Jobs for Progress, will provide an Assessment Specialist and Case Manager at each site. The Case Manager will assist clients with entry into the labor market, including job readiness training, job placement, post-employment services, and educational advancement.

4) Milwaukee Resident Employment Coordinators

The Milwaukee housing authority uses EDSS and HOPE VI grants to fund Resident Employment Coordinators who provide job search assistance to residents, including those on TANF, in the five family developments. The coordinators work in tandem with staff from two of the five W-2 agencies.

The resident employment coordinator conducts an in-depth assessment that focuses on the job interests of the resident, assists the resident with his or her job search, and makes referrals for services that address employability skills and barriers to employment such as child care and transportation.

In addition, county welfare department staff and W-2 agency staff are on-site at two of the five developments. County staff members assist residents with issues relating to child care, Food Stamps, and Medicaid. Staff from two W-2 agencies help residents find employment. One W-2 agency, MAXIMUS, contracted with the housing authority to have the resident employment coordinators provide job search assistance to its entire TANF caseload (including recipients who do not reside in public housing). Every week MAXIMUS staff forwards a list of clients who are employment ready and facing expiring benefits to the resident employment coordinator. The housing authority receives a payment from MAXIMUS for each placement that is made.

E. Jobs Plus provides a strong focus on collaboration with welfare and labor agencies

Jobs Plus was the single HUD employment and training program that collaborated with both the welfare and labor departments in all sites that we observed. According to HUD program regulations, the labor and welfare departments are mandatory partners in the Jobs Plus collaborative, which is responsible for designing, funding, and operating the program. We observed Jobs Plus in Los Angeles and Baltimore.

In Los Angeles, Jobs Plus was a vehicle to begin involving the welfare agency, DPSS, in the housing authority's programs. Prior to this initiative, housing authority collaboration was limited to CDD, the labor agency. The housing authority provides space for CDD and DPSS at both

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Jobs Plus developments to provide on-site services. CDD opened a one-stop satellite at each location. DPSS staff is on site at each development once per month and plans to increase site visits to once per week. In addition, all Jobs Plus participants are assigned to one DPSS case manager.

In Baltimore, DSS and OED helped design the program and provided funding. DSS worked with the housing authority to structure program activities that would count toward the work requirement. DSS also refers its clients residing in the Jobs Plus development to the program for employment and training services if they are not already working with another vendor. In addition, DSS is training Jobs Plus staff to process child care vouchers for its participants. The Jobs Plus development also has the PACE program on site, which is staffed by OED.

F. Less evidence of coordination and collaboration for programs that target Section 8 residents

The programs that target Section 8 residents—FSS, Neighborhood Networks, and MTO—generally do not involve active partnerships with labor or welfare departments. For the most part, these programs are not work-focused; few meet TANF work requirements.

The Family Self-Sufficiency programs in Boston, Los Angeles, and Milwaukee focused exclusively on Section 8 residents. In each instance, the program did not count toward the TANF work requirement. Only in Baltimore, which targeted both development-based residents and holders of Section 8 vouchers, did FSS count toward the work requirement.[18] Generally speaking, FSS staff did not report regular contact with their counterparts in the welfare and labor departments. This will change in San Antonio, when the ROAD Centers are fully operational. FSS staff will be housed on site along with staff from the welfare and labor departments. Boston FSS staff also has limited contact with the labor department. They participate in the monthly welfare-to-work advisory meetings hosted by the Private Industry Council.

The Neighborhood Networks program offers computer facilities and training at developments receiving Section 8 project-based assistance. We observed the program in three sites. None formally collaborated with their respective welfare and labor departments to plan or fund services, however, two sites had more informal contact. In Baltimore, for instance, the Neighborhood Networks center shares space and works closely with the Urban League, a welfare department vendor. Program participants interested in employment assistance can easily access services through the Urban League. In Boston, as noted earlier, training activities do not generally count toward the 20-hour per week work requirement. However, TANF recipients can obtain waivers to participate in training programs. The director of the Neighborhood Networks center facilitates this process by intervening with welfare caseworkers on behalf of TANF recipients who wish to participate in the computer training program. However, the Boston staff believes that the welfare case workers like the Neighborhood Networks program because there is a clear link between training and job placement. In addition, the Center has provided community service placements for TANF recipients who could not find unsubsidized employment. Finally,

[18] As indicated earlier, the housing authority and welfare department have an agreement to count all housing authority programs toward the work requirement.

the director talks regularly with welfare office staff regarding participants' child care problems. The Los Angeles site had no contact with either the labor or welfare departments.

Finally, Moving to Opportunity provides Section 8 vouchers to families in targeted developments to enable them to move to low-poverty neighborhoods. We observed the program in Boston and Los Angeles. Neither site collaborated with the local welfare and labor departments. In each site, the housing authority contracted with a non-profit organization to provide housing search assistance. Following the move, the non-profit group offered supportive services including counseling, job development workshops (e.g. resume development, Internet searches), transportation assistance, and referrals for social services and/or education and training. In both sites, job-related assistance often entailed referrals to the local one-stop career center. However, participation in the post-move services is not mandatory. Staff in both sites noted that most of their time was spent on housing-related assistance, and that once accommodations were settled, the level of services requested decreased considerably. Staff did not find this surprising, remarking that MTO is a housing program and not a work program.

CHAPTER IV: HUD PROGRAM ALIGNMENT WITH FINDINGS FROM EVALUATIONS OF EMPLOYMENT AND TRAINING PROGRAMS

A. Introduction

As indicated in Chapter II, HUD's employment and training programs use a variety of strategies to address the needs of public and assisted housing residents. Although HUD's efforts at helping families in public and assisted housing have a long history, many of its programs have not been examined in light of recent research on the effectiveness of various welfare-to-work strategies.

The Success in the New Welfare Environment project involved assessing HUD's efforts to help residents transition from welfare to work. As with any assessment, one must establish a benchmark—a basis for comparison. Simply asking if HUD's programs are "effective" misses the larger point. Programs are complex and comprise multiple components. Some individual program elements might be more effective at helping welfare clients obtain work than other ones.

Thus, we began this project by reviewing the literature on programs that have attempted to help welfare recipients find jobs, remain in jobs, and advance in the labor market. Based on this review, we identified a number of program components that seemed to be associated with positive outcomes—exits from welfare, increased rates of employment, or increased earnings. These elements provided the basis for the framework that was used to identify and assess HUD's employment and training programs.

This chapter reviews how HUD's employment and training programs compare to the elements of effective programs that were identified in the literature. It begins with a brief description of the assessment framework. The remaining sections of this chapter focus on each component of the framework. The outline for each of these sections is as follows:

- A summary of the research findings.
- A description of the degree to which individual HUD programs incorporated the element and, when applicable, housing authority initiatives we observed outside the scope of the HUD programs under study.

1) Assessment Framework

There is a significant body of evaluation literature on employment and training services for welfare recipients. (See Appendix A, the Literature Review, for a more thorough discussion of the research.) Most of the literature that is available focuses on pre-employment services or identifying barriers to employment. Because of this focus, the studies provide information on whether participants find jobs, how much they earn, welfare receipt (number of months and/or amount received), and, occasionally, whether they keep those jobs for some period of time after treatment. They do not necessarily provide information on whether these programs promote self-sufficiency.

Moreover, the bulk of the research was conducted under the rules of the AFDC program, not under the time-limited environment of TANF. It is likely that the time limits will affect participants' behavior (e.g. they may be less likely to leave an initial job). It is equally likely that states will be serving a more disadvantaged population than they have in the past, as those who might previously have been exempted from participation in employment and training programs will now have to participate.

With these caveats in mind, the evaluation research suggested that some employment and training programs have placed participants in jobs, increased earnings, and reduced welfare benefits. However, even the most successful programs have had difficulty sustaining these positive impacts over time. These evaluations also indicated that there are a number of program components and strategies that are associated with positive employment outcomes. The elements can be grouped into four broad areas, or service clusters:

- **Employment services** might have an employment or education and training focus. Specific components include:
  - Job search
  - Work experience
  - Subsidized employment
  - On-the-job training
  - Vocational training
  - Basic skills training
  - Post-secondary education
  - Assessment
  - Case management
- **Barrier amelioration services**, which focus on:
  - Environmental barriers (child care and transportation)
  - Personal barriers (substance abuse, mental health problems, lack of social support, and domestic violence)
- **Cash and in-kind supports**, which augment earned income and include:
  - Earned income disregards
  - The Earned Income Tax Credit (EITC)
  - Food Stamps and other nutrition programs
  - Transitional Medicaid
- **Transitional supports**, which address a range of workplace issues and include:
  - Life skills courses
  - Support groups

Table 4.1 describes each component and the findings from the evaluation literature.

Table 4.1: Assessment Framework

	COMPONENT	EVALUATION FINDINGS
Employment Services	**Employment- vs. Education and Training-focused Strategies** utilize different means to help people work toward self-sufficiency. Employment-focused programs may still incorporate *short-term* (3 months or less) education and training.	❑ These strategies were tested through many of the *JOBS* programs. Findings indicate that employment-focused programs can moderately increase employment and earnings and decrease welfare receipt and payments. ❑ Education and training-focused programs generally have produced inconsistent results. There is some evidence that impacts may increase over time. This is a costly, time consuming intervention. ❑ Mixed strategy approaches, such as that used in *Oregon JOBS*, may hold the most promise.
	Job Search may be characterized by low intensity individual search or high intensity search which may involve working with a job assistant who provides training in resume writing, interviewing skills, and/or promising job search tactics.	❑ Low to moderate intensity job search (including unassisted individual job search or job club followed by independent job search) as conducted in the *Arkansas WORK* program, did have positive, significant two-year impacts on employment and earnings. However, the impacts disappeared by the end of the fifth year. The impacts of this program were small relative to more comprehensive programs that offered more services in addition to job search. ❑ Gueron and Pauly (1991) found that job search assistance does generally increase employment but that it does not affect wages. They also conclude that job search assistance *alone* does not substantially reduce welfare dependence. ❑ Job search, as used in *California GAIN*, *Project Match*, and others, is often deemed an essential piece of a "successful" program.
	Work Experience / Subsidized Employment both aim to provide the worker with employment skills. Work Experience (or workfare) entails working in "exchange" for benefits and is generally public sector employment. Subsidized employment pays the worker wages and often takes place in the private sector.	❑ Workfare (low intensity work experience) which was utilized in the WIN and JOBS programs generally lasted 1-3 months and was found to have no consistent impacts on employment, earnings, or welfare receipt. ❑ In the *Baltimore Options* program, it was determined that short-term work experience *alone* had no impacts on employment or welfare receipt. However, the program did have positive impacts overall. ❑ The *National Supported Work Demonstration* provided higher intensity work experience in the form of subsidized work and had significant, positive impacts on earnings for many years. It also increased employment and reduced welfare receipt. ❑ The *Home Health Aide* demonstration, which involved paid supported work experience, also had significant impacts. It increased earnings and employment rates while reducing welfare receipt at four of seven sites.
	On-the-Job Training (OJT) is generally employer provided, subsidized training in the workplace. It may be provided as a formal training program prior to employment or in conjunction with work.	❑ On-the-job training (OJT) has had consistent positive impacts on employment and earnings of welfare recipients, namely the "hardest-to-serve." ❑ Programs which utilized OJT, such as *Maine TOPS*, *Baltimore Options*, *California GAIN*, and *JTPA* found earnings gains, some of which were sustained beyond the short-term (two years). Few, however, had significant impacts on employment.
	Vocational Training aims to train a potential worker for a specific job or trade. It often entails classroom training and may be combined with on-the-job training.	❑ The Center for Employment Training (CET) site in the *Minority Female Single Parent Demonstration (MFSPD)* focused on occupational training and education. It had promising initial earnings results. ❑ *Child Comprehensive Development Program (CCDP)*, *Oregon* and other *JOBS* programs, *California GAIN*, and *Maine TOPS* all utilized vocational training and had positive impacts on employment or earnings. ❑ The *New Chance* program, however, utilized vocational training and had no significant impacts on employment or earnings.

Table 4.1: Assessment Framework (continued)

	COMPONENT	EVALUATION FINDINGS
Employment Services	**Basic Skills** is considered to be "general" education and is not targeted to a specific job, industry, or trade. It may involve remedial education, English as a Second Language (ESL), Adult Basic Education (ABE) and General Educational Development (GED) training.	❑ Programs that focus on basic skills tend to have few, if any, positive impacts on employment, earnings, or reduced welfare receipt. ❑ Some more comprehensive programs which include basic education, *California GAIN*, *Baltimore Options*, and the *JOBS* programs, for example, have had positive results. Yet, it is not evident that they are attributable to the presence of education services. ❑ The *Even Start Family Literacy Program*, which focused on basic education, had no positive impacts on the above measures of self-sufficiency. ❑ While some programs such as *Oregon JOBS*, *New Chance* and The *Even Start Family Literacy Program* did increase GED attainment, the research shows that when years of schooling and work experience are controlled for, GED certification has no positive impact on earnings or employment. ❑ Programs such as *California GAIN* and *JOBS* do, however, tend to have stronger positive impacts for subgroups of people determined not to need basic education.
	Post-secondary Education generally involves college level courses/education after receiving a high school diploma or GED certificate.	❑ There is little evidence supporting the impacts of post-secondary education as very few programs offer it. ❑ The *Minnesota Family Investment Program* offered post-secondary education; however, its positive impacts are generally attributed to the financial incentives. ❑ The *Quantum Opportunity Program* made post-secondary education a goal. The program led to an increase in skills, graduation from high school, and continuation in post-secondary education.
	Assessment generally entails an interview with a case worker to determine general characteristics of participant. Higher intensity assessment may be repeated and include barrier screening and skills testing.	❑ There is little experimental data to support the notion that assessment directly impacts increased employment and earnings. However, it is assumed to be a valuable tool used to gauge employment skills and interests, reveal barriers, and target services. ❑ As with the *JOBS* demonstrations, assessment intensity varies depending on the program's focus. As a result, impacts are not solely attributable to assessment type. ❑ Two targeting approaches are currently in the formulation and evaluation stages. They include (1) The Worker Profiling and Reemployment Services system and (2) a checklist-type targeting tool developed by Mathematica Policy Research.
	Case Management can range from low to high intensity. Low intensity case management is characterized by occasional or rare contact with a case worker. Medium to high intensity case management involves more frequent contact (monthly or weekly) and may involve home visits, follow-up with employers, service referrals and follow-up with service providers.	❑ Many programs utilize case managers to help welfare recipients get the services they need. ❑ Evaluations of the *Postemployment Services Demonstration* and the *Family Transition Program* found that welfare recipients will use case management services, at least in some circumstances. ❑ Thus far, there is no evaluation evidence that links case management directly with employment outcomes.

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Table 4.1: Assessment Framework (continued)

Barriers to Employment

BARRIER[19]	EVALUATION FINDINGS
Child Care	❑ The current supply of infant care is insufficient. ❑ The supply of care during non-standard hours is also insufficient. ❑ The type of provider is related to duration of work; women with children in center-based care or non-relative care worked for longer periods of time than those who used relative care. ❑ Evaluation literature concerning the implications on employment, earnings, and self-sufficiency as related to child care is sparse.
Transportation	❑ A spatial mismatch exists between jobs and residents. ❑ Transportation routes or hours are often insufficient. ❑ Programs are being tested (Bridges to Work and Joblinks), but thus far no evaluation results are available.
Social Support	❑ A lack of support networks can lead to depression and job loss according to case studies. ❑ Providing a network is an aspect of many programs, such as *New Chance* and the *Quantum Opportunity Program*, and while such provisions appear to be common sense, they are difficult to evaluate.
Domestic Violence	❑ Prevalence estimates range from 15% to 32% of current welfare recipients. ❑ States and programs are experimenting with methods to screen abused women and refer them to care; thus far, there is no evaluation evidence.
Mental Health	❑ Welfare recipients are more prone to depression, anxiety, and low self-esteem than the general population. ❑ Depression can be effectively treated. ❑ States are experimenting with screening mechanisms and referrals, but no evaluation evidence of what "works" is available. ❑ Employee Assistance Programs for those who work in medium or large firms are a possibility.
Substance Abuse	❑ Welfare recipients are more likely to have a substance abuse problem than the general population. ❑ States, particularly Oregon and Utah, are experimenting with the use of screening mechanisms and referrals. ❑ Employee Assistance Programs for those who work in medium or large firms are a possibility.

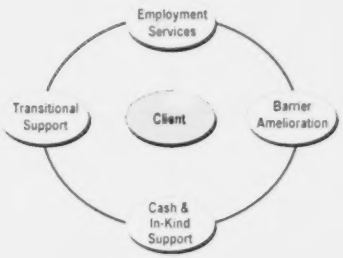
[19] Many programs, including EDSS, TOP, Step-up, FIC and Youthbuild do address "employment barriers," but do not specify the provision of services for any specific barriers. Local programs could use this funding for any of these services.

Table 4.1: Assessment Framework (continued)

	COMPONENT	EVALUATION FINDINGS
Transitional Support	**Life Skills** Training can involve an array of services which may include, but is not limited to, training or assistance with parenting, budgeting, conflict resolution, family planning, and soft skills (e.g. job etiquette, timeliness...et cetera)	❑ Such training is incorporated into many programs because it is perceived to be necessary. ❑ However, little empirical evidence is available concerning the benefits of, or the need for, life skills training.
	Support Groups and Mentoring involves group discussion about personal and work related issues and one-on-one guidance, respectively. Both components are largely peer driven and tend to rely on trust as a major factor of success.	❑ Case studies have found that women utilize support groups, and that having a regular time to talk through problems can help prevent emergencies. However, these interventions have not been rigorously tested. ❑ When provided by experienced programs with well-developed standards, one-on-one mentoring has been found to help adolescents avoid risky behaviors (e.g. drug and alcohol use). ❑ Mentoring programs that pair successful adults with those entering the workforce are largely untested.

These components became the basis for the framework used to assess the programs and activities used by housing authorities and property managers to help residents achieve self-sufficiency in the new welfare environment.

Figure 1: Systems Approach



The framework is depicted in Figure 1.[20] It illustrates the fact that individual program components are just one part of the assessment. Beyond the success of specific program components, there is a larger issue facing housing authorities as they seek to move residents from welfare to work. Many residents will need a wide variety of services and supports to find employment and work toward self-sufficiency. At any given point in time, a client may need assistance in accessing one or more of the identified service clusters. Furthermore, the breadth of services and public systems involved complicates the provision of services and increases the importance of creating linkages with other providers. Services and supports may be required from the welfare/human services system, the employment and training system, the health care system (including mental health and substance abuse services), the transportation system, the education system (secondary, vocational, and post-secondary), as well as the housing system.

The remainder of this chapter focuses on individual program components.

B. Program Philosophy

1) Summary of Research

Much of the research regarding employment services focuses on the preferred strategy for providing those services – an employment-focused strategy versus an education and training-focused approach.

Employment-focused programs range from minimal, job search-only programs to mixed-strategy programs, in which other services, such as short-term education and training, may be provided. In keeping with the philosophy of these programs, the focus of each element, including any education and training that may be provided, is on getting clients into the workforce as quickly as possible.

Education and training-focused programs, on the other hand, are designed to improve present and future employability by improving basic skills and providing training and education that

[20] The Assessment Framework is drawn from Fishman, M., Barnow, B., Gardiner, K., Murphy, B. & S. Laud (1999).

increase employment skills. Participants typically undergo a thorough up-front assessment to determine service needs and create an employment development plan. They are then assigned to various service components, such as basic skills training, vocational training, or higher education, based on their individual needs and career goals. Clients are encouraged to be selective and choose a job that fits with their long-term goals.

Generally, evaluations of welfare-to-work programs suggest that employment-focused programs can be effective at connecting TANF recipients to the work force quickly. For those who are not likely to leave welfare on their own, studies of employment-focused programs indicate that they can moderately increase employment and earnings and reduce welfare payments. This is especially true of participants in "mixed strategy" programs, which combine job search with other services such as short-term education or intensive case management. Evaluations of job search-only programs tended to show smaller impacts. Research on education and training-focused programs has not found consistent results. While there is some evidence that impacts for these program participants may increase in the long run, it was found that after two years the earnings gains were still smaller than those achieved by employment-focused programs. Under both scenarios, employment and earnings gains are higher for those with a high school diploma or GED. Also, earnings impacts are often attributable to higher rates of employment, not to better-paying jobs.

2) Summary of Housing Authority Activities

Program Philosophy	HUD Program
Employment-focused	EDSS Jobs Plus Section 3
Education and training-focused with strong work component	Step-Up YAP Youthbuild
Education and training-focused	FSS Neighborhood Networks

Consistent with the literature, few HUD programs we reviewed focused solely on education and training.

Three programs were employment-focused: Section 3, Jobs Plus, and EDSS. While none excluded the option of training, the overarching focus of each program was work. The EDSS program, for example, sought to help families achieve self-sufficiency by providing grants to housing authorities for employment-related activities, including job training, job search assistance, job development and placement, and continued follow-up assistance. Similarly, Jobs Plus aimed to create housing developments where the majority of working-aged adults are employed.[21] As such, job services were the central focus, although social and economic supports were also available. Finally, Section 3 mandated that housing authorities use the funds they

[21] Both Jobs Plus programs observed were funded in part with EDSS grants.

receive from HUD to generate jobs for residents in low-income communities. The program focuses on connecting residents to employment. The method varied by site. In Los Angeles, for example, the housing authority developed and administers a public construction company, Kumbaya. The two other Section 3 programs, in Baltimore and Boston, referred residents to housing authority contractors when jobs became available.[22]

Three programs, Step-Up, YAP, and Youthbuild, could be classified as education- and training-focused with a strong work element. All three provided a combination of hands-on construction and/or maintenance experience and classroom work. The programs also helped graduates find construction-related jobs or further apprenticeships in well-paying trades.

Only two programs, FSS and Neighborhood Networks, could be classified as education and training-focused initiatives. FSS helped residents attain self-sufficiency through referrals to education, training, and supportive services. Neighborhood Networks aimed to increase residents' employment opportunities by offering computer access to housing residents. Computer center programs may include computer training, Internet access, job readiness support, GED certification, and adult education classes.

The remaining HUD programs were not easily classified. These include FIC and HOPE VI, both of which provided space to housing authority and non-housing authority service providers for services ranging from basic education to job search. The TOP grant enabled tenant organizations to develop programs to encourage resident self-sufficiency; the degree to which services were employment- or education-focused depended upon the tenant organization. Finally, MTO focused on moving residents to low-poverty neighborhoods; employment and training were secondary activities.

C. Job Search

1) Summary of Research

Traditionally, job search is a pre-employment or re-employment activity and is conducted either individually or as part of a job club or other group job search program. While the primary goal of job search is to get participants employed, job search and job search training can also be used to help participants find better jobs with higher wages.

Job search programs, offered alone or in combination with other services, have consistently increased employment rates. However, while job search is necessary to find any job, past research indicates that job search-only programs do not seem to help participants find jobs that will allow them to become self-sufficient. Programs that offer only job search have rarely led to significant impacts on wages or a reduction in welfare receipt.

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[22] About one-third of Kumbaya's new hires are Section 3 residents. In Boston, 42 percent of new hires at a HOPE VI site under construction are residents.

2) Summary of Housing Authority Activities

Job Search	HUD Program
Primary program component	EDSS Jobs Plus
One of many components	FIC HOPE VI Neighborhood Networks Step-Up Youthbuild YAP
Minimal component	FSS MTO

Ten HUD programs offered some form of job search. Consistent with the literature, none focused exclusively on job search. However, we observed a large degree of variation in the role job search played in each individual program.

Job search was the primary component in two programs: EDSS and Jobs Plus. This was true of all sites, although the job search process differed by program and site. Both EDSS sites used or planned to use the grant to hire employment coordinators or counselors. In Milwaukee, for example, the two resident employment coordinators help residents conduct self-directed job searches by assisting with application and resume development, protocol for contacting employers, and mock interviews. Coordinators also develop job leads and will make referrals. In Jobs Plus, both sites—Los Angeles and Baltimore—have on-site job search services including job developers and resource rooms for self-paced job search activities.

Job search was one of many components for FIC, HOPE VI, Neighborhood Networks, Step-Up, Youthbuild, and YAP. In FIC and HOPE VI, space was generally available for non-housing authority staff to offer services. Both FICs in Baltimore and the HOPE VI development, for example, had PACE staff on site. The HOPE VI development in Milwaukee[23] provided space to a W-2 agency. In both FIC and HOPE VI sites, services ranged from resume development to posting job listings. The San Antonio housing authority plans to offer a range of job search tools at its ROAD Centers, including internet access, job descriptions and applications, and staff assistance with resumes and applications.

The construction-related programs—Step-Up, Youthbuild, and YAP—aimed to help participants find better paying jobs by providing them with skills training and assisting them in their job search. In some cases, program staff also assisted participants who were not interested in construction work to find jobs outside of the field. In Neighborhood Networks, efforts to help participants find jobs ranged from an integral part of the training program in one of the three sites to non-existent in another site.

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[23] W-2 agency staff is on-site at one HOPE VI development and will be within walking distance of a second (yet to be completed) development.

Finally, job search was a minimal program component in FSS and MTO. Generally, FSS coordinators in all five sites refer clients who are seeking employment to the city's employment and training providers, such as the labor department one-stop career center. Likewise, MTO staff in both sites referred clients to the local one-stop career centers for job search services.

In addition to the HUD programs under review, the housing authority in Los Angeles offers job search services through its own initiatives. The Welfare-to-Work program provides the housing authority's most intensive job search activities. Housing authority staff work extensively with clients to place them into jobs, meeting as often as one to three times per week. There is a job developer on staff to establish partnerships with private employers, develop internship opportunities and on-the-job training programs, and make job referrals. In addition to the Welfare-to-Work program, the housing authority is under contract from the city's labor department to operate "satellite" one-stop career centers at five developments. These satellites offer employment placement services, career resource rooms, and job clubs.

D. Work Experience, Subsidized Employment, and On-the-job Training

1) Summary of Research

Work experience, subsidized employment, and on-the-job training provide opportunities to gain practical experience in the labor market.

Work experience, also known as community work experience, workfare, or community service employment, provides a way for participants who have not been able to find a job to meet TANF work participation requirements. Under these programs, participants are generally required to work in exchange for welfare benefits. The work is often in the public sector.

Under **subsidized employment**, participants are paid wages that are funded from diverted welfare payments. Subsidized jobs can help participants learn skills that might lead to eventual employment. These positions are usually with private sector employers. Subsidized employment and supported work, unlike workfare or work experience, tend to provide a more intensive intervention and include support services in conjunction with the employment experience.

On-the-job training (OJT) is employer-provided training in the workplace. Unlike subsidized employment, it is generally available to both welfare and non-welfare participants who are working in unsubsidized jobs that they usually retain after training is completed. OJT is funded through employment and training funds (not through diverted welfare payments) or by employers.

Studies of programs that offer work experience alone have found no consistent impacts on employment, earnings, or welfare receipt. Combining work experience with other training activities, such as on-the-job training, may hold promise. Evaluations of subsidized employment and OJT programs have found significant, positive impacts on employment and earnings. Subsidized employment is also associated with decreases in welfare receipt.

2) Summary of Housing Authority Activities

Component	HUD Program
Work experience	FIC HOPE VI Jobs Plus
Subsidized employment	Step-Up
On-the-job training	Section 3 YAP

Work experience, subsidized employment and OJT were among the least common program components we observed, even though in three sites, Baltimore, Boston, and Milwaukee, work experience and subsidized employment were allowable TANF activities. When offered, they were generally components of a more comprehensive intervention, such as HOPE VI or an apprenticeship program.

While work experience was not an established component of any program across all sites, three programs--Jobs Plus, HOPE VI, and FIC --included a work experience component in some sites. The FIC program in Milwaukee, for example, had a work experience program that targeted youth. An on-site, non-profit organization provided job readiness skills and job experience, with the expectation that after participants gain work experience they will be able to find jobs independently in the private sector. Work experience was also a component of the Baltimore HOPE VI program. Unemployed TANF recipients could participate in the Community Service Program and train to perform entry-level tasks until they were placed in job-training programs or unsubsidized jobs.[24] The Jobs Plus program in Baltimore also incorporated work experience for clients who were not job-ready.

Only one HUD program offered subsidized employment. The Baltimore Step-Up program utilized funds diverted from welfare grants to pay participant wages.[25] About one-third of Step-Up participants were on public assistance at the time they enrolled in the program, and thus were eligible for subsidized employment.

Finally, we observed on-the-job training provided under the auspices of YAP or Section 3. For example, in all four YAP sites, participants were paid wages during their training. In two of the four sites, Baltimore and Boston, graduates were guaranteed employment with their respective housing authorities. The remaining sites made concerted efforts to place graduates in construction jobs. In two of the three Section 3 sites we observed, Baltimore and Los Angeles, residents often received on-the-job training through the program. In Los Angeles, about 40 percent of the workers at the housing authority's construction company, Kumbaya, were resident apprentices who were paid an hourly wage and received training from the field supervisors. In Baltimore, the housing authority occasionally asked their contractors to provide training to residents hired through Section 3.

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[24] The Community Service Program is operated on site by the welfare department

[25] A maximum amount of $5,000 per grantee can be diverted over 10 months.

Although work experience, subsidized employment, and on-the-job training were not common components of HUD programs under review, we noted examples of these elements among housing authorities' own employment and training initiatives.

For example, Baltimore offers subsidized employment for programs in addition to Step-Up. The housing authority has a Memorandum of Agreement with the welfare agency to use diverted welfare grants to pay for up to 10 months of training. Programs financed through diversion included grounds keeping, pesticide and lawn care training programs.

The Los Angeles housing authority provided work experience and on-the-job training through its Welfare-to-Work program. Residents who were not ready for unsubsidized employment could participate in the welfare-to-work program's work experience jobs. Participants worked for 20 hours per week at the minimum wage, which was funded through the Welfare-to-Work grant.

Finally, in Boston, individual housing developments offered work experience placements. We observed one development that places up to 15 residents at a time in work experience jobs, either in the on-site thrift shop or assisting with maintenance work. Other developments offer residents work experience positions involving office tasks such as filing or answering the telephone.

E. Vocational Training

1) Summary of Research

Vocational training programs, which train participants for *specific* careers, provide another avenue for welfare recipients to obtain skills that may lead to higher quality jobs. Vocational training programs differ from on-the-job training in that they are not followed by a guaranteed job, although many programs have a job placement component. Participants generally complete some combination of education and on-the-job training to gain the requisite skills for their chosen career. Job placement following training may or may not be part of the program. For the most part, because welfare recipients tend to have low skill levels, vocational training has focused on careers that do not require high skill levels.

Research indicates that some programs that have focused on vocational training have had modest success in helping participants obtain higher wages or work more hours than they may have in the absence of the training.

The literature also suggests that ease with which program participants find jobs is a function of the demand for the specific vocational skills. Vocational training that is tailored to fit the local labor market will likely result in better employment outcomes.

2) Summary of Housing Authority Activities

Vocational Training	HUD Program
Long-term	Step-Up Youthbuild
Short-term	FIC HOPE VI Jobs Plus Neighborhood Networks Section 3 Step-Up

Two programs, Youthbuild and Step-Up, offered long-term vocational training. Both aimed to prepare clients for well-paying jobs in the construction trades. The Step-Up program in Baltimore entailed a two-month pre-training period, which focused on job readiness (e.g., workplace behaviors and budgeting) and construction-related issues (e.g., blueprint reading, safety, and tool identification), followed by one year of on-site training with skilled journeymen. During the apprenticeship portion of the program, each participant was guaranteed rotations in four trades: carpentry, plumbing, electrical, and masonry. Apprentices were paid $9.00 per hour. Similarly, all five Youthbuild programs generally provided one year of hands-on basic carpentry and construction skills training (including flooring, roofing, dry walling, framing, and finishing) and classroom-based education. Participants also received wages during the training period, ranging from a stipend in some sites to $6.00 per hour in others.

Six programs offered short-term training. Neighborhood Networks, for example, provided training in computer skills. In two of the three sites we observed, classroom training lasted for six weeks and encompassed computer "literacy" (e.g., how to use the mouse, double clicking, and cutting and pasting), word processing, spreadsheets, and graphics. The third program we visited was self-paced and lasted from two weeks to six months, depending on the client's skill level and previous experience. In some housing authorities, the FIC and HOPE VI programs offered on-site training in fields such as computer skills, child care, home health care, or security.

Other programs worked with local colleges to design short-term training initiatives to meet community needs. The Baltimore Jobs Plus program, for instance, worked with the Maryland Center for Arts and Technology to assemble a 16-week training course at the behest of a local employer. Participants were trained for customer services and finance positions. Another program targeted 17- to 24-year-olds for landscaping training. Similarly, the Baltimore Step-Up program established a 12-week training partnership with the Baltimore Convention Center to identify, prepare, and train residents for jobs at the Convention Center. Pre-employment training is provided, in addition to career development, classroom training, and on-the-job focusing on aspects of catering and food service. Finally, one of the three Section 3 sites, Los Angeles, contracts with resident management corporation businesses to provide services at developments, including security. Rio Hondo, a school that specializes in law enforcement, provided training.

During our site visits, we also observed efforts to train residents in high-demand jobs that fell outside of the discrete HUD programs under review. For example, the housing authority in San Antonio operated a program that trains residents for specific jobs within the housing authority. For the clerk/typist program, there were approximately 10 to 12 vacancies within the housing authority each year due to promotions. After completing the training, residents who could type 45 words per minute were placed in temporary positions until full-time positions became available. The maintenance/helper program had the capacity to train 30 participants each year. The program involved training in carpentry, electrical, plumbing, masonry, heating/air conditioning, renovation, and cabinet making. The housing authority also referred residents to Project Quest, an organization that provided training in health care, information systems, manufacturing, maintenance and repair, and service technology. Project Quest staff conducted extensive labor market analysis to determine which industries and occupations to target. Most programs are affiliated with local community colleges and are two years in duration.

F. Basic skills training

1) Summary of Research

Basic skills training is considered to be "general" education and is not targeted to a specific job, industry, or trade. In may involve remedial education, English as a Second Language (ESL), Adult Basic Education (ABE), and General Education Development (GED) training.

According to the U.S. Department of Health and Human Services, almost half of all welfare parents lack a high school diploma or GED. A large body of research demonstrates that individuals with the lowest basic skills are the least likely to become employed or work steadily. This suggests that providing welfare recipients with basic education will increase their ability to obtain and retain employment.

However, a 1996 review of research on basic education programs for welfare recipients found that fewer than half of the programs increased participants' employment or earnings. When earnings did increase, it was usually due to increases in the number of hours worked; not higher paying jobs. In addition, research suggests that most basic education programs do not greatly improve educational attainment. Few of the programs improve participants' scores on tests of basic skills.

2) Summary of Housing Authority Activities

Basic Skills Training	HUD Program
Integrated element of comprehensive program	YAP Youthbuild
One of multiple services available	FIC HOPE VI Jobs Plus

Basic education is a common program element. Consistent with the literature, no HUD program focused exclusively on basic skills education. The most common courses were GED preparation and English as a second language (ESL).

In some cases, basic education was integrated into a larger HUD program. YAP and Youthbuild, for example, treated basic education as a means of opening up future possibilities (e.g. college, jobs with increasing responsibility) and not as an end in itself. For example, all four YAP sites provided a combination of basic education and work skills. The education component entailed GED preparation or enrollment in a high school program, community service opportunities, and life skills/leadership training. YAP participants generally spent one or two days per week in the classroom. The five Youthbuild sites we observed generally alternated from week to week between classroom-based basic education and on-site construction training.

Other HUD programs—FIC, Jobs Plus, and HOPE VI—offered more self-contained basic education courses. In these cases, staff suggested that basic education was an important step toward self-sufficiency, one that will make a candidate more employable. Even in these instances, however, the basic education courses were one of several activities that residents could select, along with job placement services and, often, vocational training. All three FICs and both Jobs Plus sites we observed offered basic skills education on site. GED preparation classes were the most common basic education courses; ESL was also popular in Los Angeles. All five HOPE VI sites also offered access to basic skills education. In Baltimore and Milwaukee, GED preparation, adult basic education courses, and computer training were available on site. Boston and Los Angeles referred residents to other resources in the community.

Other HUD programs, including FSS, Neighborhood Networks, EDSS, MTO, and TOP referred participants to basic skills education providers as needed.

G. Post Secondary Education

1) Summary of Research

Post secondary education generally involves college-level courses after receiving a high school diploma of GED certificate.

Research suggests that attaining a post-secondary degree has a positive effect on an individual's ability to advance to a better-paying job. Those with a college education earn considerably more than individuals who have not attended college. Analysis of data from the National Longitudinal Survey of Youth indicate that hourly earnings for all women increase by 19 percent to 23 percent when they obtain an associate's degree, and by 28 percent to 33 percent when they obtain a bachelor's degree.

Under TANF, post-secondary education as a pre-employment service is less feasible. Post-secondary education directly related to employment cannot count towards the first 20 hours of participation unless the participant is a teen parent. However, post-secondary education can be combined with work as a strategy for wage progression and career advancement. Non-vocational post-secondary education generally does not count towards the participation requirements.

It is difficult to determine the effect of post-secondary education on the employment and earnings of welfare recipients because few employment and training programs offer it, and fewer have been evaluated. When post-secondary education is available, it is generally one of many components that could affect work effort and earnings.

2) Summary of Housing Authority Activities

Post-Secondary Education	HUD Program
Referrals	FSS Jobs Plus
Scholarships	YAP Youthbuild

Post-secondary education was one of the least common program elements we observed. One factor in the low level of post-secondary education was the nature of the welfare programs in the five sites. In only one site, Baltimore, did the welfare rules enable recipients to pursue college education.

Two programs referred participants to post-secondary education: FSS and Jobs Plus. In four of the five sites we observed, a number of FSS participants were involved in post-secondary education. In Baltimore, for example, 11 percent of FSS participants were enrolled in college. In San Antonio, the proportion was 20 percent. The program's escrow component encouraged college enrollment, because participants can use their escrow funds prior to completing the program to pay for post-secondary education.[26] One of the two Jobs Plus sites, Baltimore, also referred clients to colleges for short-term, customized training. The program staff had agreements with local community colleges to provide training courses as needed. The Maryland Center for Arts and Technology course for customer services and finance described earlier is an example of customized training.

Two programs, YAP and Youthbuild, offered Americorps scholarships for post-secondary education to program graduates. In Baltimore and Los Angeles, for example, about 25 percent of Youthbuild graduates used Americorps scholarships to enroll in college.

H. Assessment

1) Summary of Research

Assessment generally entails an interview with a case worker or other staff person to determine the general characteristics of the participant. Higher intensity assessment might include barrier screening or skills testing.

Assessment can be a useful tool to determine if recipients face major barriers to employment, to target specific services, and to gauge employment skills and interests. In theory, a good

[26] Funds can also be used for other activities consistent with fulfilling the contract of participation.

assessment would enable case workers to determine, at intake, the particular blend of services each participant will need.

Assessment also can help programs focus on those most in need of assistance. To the extent that those who are likely to leave welfare or maintain employment on their own can be identified, HUD staff can conserve their resources by minimizing services to this group and concentrating on those who are less likely to leave welfare or sustain long-term employment without intervention.

While assessment makes sense intuitively, there is little evaluation research to suggest that it can successfully identify who will benefit most from a particular service strategy.

2) Summary of Housing Authority Activities

Assessment	HUD Program
In-depth	FSS Jobs Plus MTO
Eligibility determination	YAP Youthbuild
Site-specific use	EDSS FIC Neighborhood Networks TOP DEG
Service design	HOPE VI Neighborhood Networks

Assessment was one of the most common program components observed. It occurs, in some form, in every HUD program except Section 3.

In programs with case managers, such as FSS, Jobs Plus, and MTO, assessment generally was in-depth, and gathered information on a client's educational attainment, work history, and interests. In FSS and Jobs Plus, assessment was used to craft a service plan or contract of participation, which detailed the services the client would need to become self-sufficient (e.g., job search, education, training, paid work experience, child care).[27] The MTO program used assessment to help residents prepare for their moves to low-poverty neighborhoods. Generally, counselors assessed the client's barriers to employment and the services that would be needed after the move.

[27] In Milwaukee, the housing authority moved away from this model. Initially a community-based organization (YWCA) was under contract to provide case management and assessment. This function was cancelled due to low client participation in the FSS program because clients on welfare were required to meet with welfare agency case managers. Instead, housing authority rent assistance specialists provide clients with information regarding welfare, Medicaid, child care, or transportation to FSS as well as other (non-FSS) Section 8 tenants.

In other programs, principally those that targeted youth, assessment was more general and involved screening for program eligibility, skill deficiencies, and substance abuse. For other HUD programs, the use of assessment varied by site. The EDSS programs in Boston and Milwaukee took different approaches to assessment. Boston plans to bring staff from the city's one-stop career centers on-site at selected developments to conduct basic vocational assessments. The Milwaukee housing authority, on the other hand, used the EDSS grant to fund resident employment coordinators who assessed the job readiness of adults through in-person interviews. Assessments focused on a client's educational attainment, previous work experience, job interests, welfare status, and access to Food Stamps, child care, and Medicaid.

Two of the three FICs we observed also offered some form of assessment. In Los Angeles, the assessment reviewed a new client's educational background, work history, skill level, family needs, and interests, and was used to develop an Individualized Service Plan. In Baltimore, the nature of assessment depended upon the service the resident chose. Job seekers were assessed by the city's on-site Department of Labor (PACE program); other activities did not involve assessment. Similarly, one of the three Neighborhood Networks sites, Boston, assessed the math and reading skills of clients and collected background information, including educational attainment, work history, and barriers to employment, to determine whether a client needed basic skills education or supportive services, and where to begin the computer training program. In addition, one of three DEG sites, San Antonio, used skills assessment and interest surveys to determine whether participants in the Economic Development program needed specific training. Finally, one of three TOP sites, Milwaukee, assessed all new residents of the development targeted by the grant for physical and mental health problems, family situations, and financial circumstances.

Finally, two HUD programs assessed resident needs to determine the mix and breadth of components. Two HOPE VI sites, Boston and Baltimore, used assessment to determine the service needs of residents and to select service providers. Similarly, one of the three Neighborhood Networks programs assessed potential participants[28] and found that the majority of respondents had never used a computer or the Internet. Based on this assessment, program staff determined that computer "literacy" (e.g., mouse use) needed to be a component of the training, and a two-week element was added to the course.

We also noted use of assessment outside of the realm of HUD programs under review. The housing authority in Los Angeles used assessment extensively in the Welfare-to-Work program. The assessment tool used for those with the lowest skills or education level,[29] CALIPER, was designed to reveal the area(s) of work a client was best suited for and then matched his or her skills to available jobs.

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[28] Residents of Orchard Mews (a Section 8 development) and McCulloh Homes (a public housing development).
[29] Those with a fifth grade reading level or below.

I. Case Management

1) Summary of Research

Entering the workforce for the first time, or after a long absence, can be a daunting task. The services many welfare families need are numerous and provided by a vast network of agencies. Early intervention to address barriers and link participants to services is critical to getting welfare recipients employed, keeping them employed, and helping them find new jobs, particularly in light of the time limits and participation requirements of TANF.

Many programs use a case management approach to help welfare participants obtain the services they need. Case management can begin prior to employment and continue for some period after employment to reduce the frequency of job loss and, if necessary, facilitate re-employment.

An evaluation of **Florida's Family Transition Program** compared two counties in which the eligibility and case worker roles were combined into one case manager position to counties where the roles were separate. The evaluation found that the clients had generally positive experiences with the combined case manager. Participants in Escambia County were more likely than controls to have talked with their case managers about specific topics, including mental health/counseling (51 percent vs. 4 percent) and housing (44 percent vs. 12 percent). The findings in Alachua County were similar.

A key component of the **Postemployment Services Demonstration** (PESD) projects was the provision of intensive case management to promote job retention and advancement among newly employed AFDC participants. According to the evaluator, almost 9 out of 10 PESD clients used at least one case management service during the first six months of the program. More than 70 percent received counseling and support services (including discussions of how to budget money and workplace behavior). Four in ten received job search assistance. The impact results, however, were quite disappointing; only one of the four sites had modest impacts on job retention, employment and earnings.

2) Summary of Housing Authority Activities

Case Management	HUD Program
Component in all sites	FSS Jobs Plus MTO
Component in some sites	EDSS FIC HOPE VI Neighborhood Networks TOP YAP Youthbuild

All five housing authorities we reviewed used case management in some programs.

Case management was an established component of three HUD programs: FSS, Jobs Plus, and MTO. For example, it was a core component of the FSS program in four of the five sites. As noted in the previous section, an FSS case manager conducted an in-depth assessment of a participant's educational attainment and career goals to develop an individualized service plan. Case managers helped clients access services by providing referrals. They also met with clients periodically to determine their progress toward self-sufficiency. Depending on the site and needs of the client, these reviews were conducted by mail, telephone or in person; the number of contacts was based on the client's needs. Case management was also a component of both Jobs Plus sites we observed. The process generally began with the resident completing an intake form, which collected basic information about the household. The participant then met with a case manager, who conducted a more thorough assessment of the client's training and employment goals. Referrals were made for appropriate services. Case managers followed-up with clients once per week for the first few months after employment began, then bi-monthly. Finally, case managers, or mobility counselors, at both MTO sites provided an array of services, such as helping the client find new accommodations by locating properties, driving clients to interviews with landlords, and assisting with rental applications. Following the move, the counselor conducted an assessment of skills and education; and made referrals if services were needed or desired.

Other HUD programs incorporated case management on a site-by-site basis. For example, one of the two EDSS programs, Milwaukee, offered case management services. The resident employment coordinators met weekly with employment seekers to assist with job search activities and make referrals for supportive services (e.g., child care, transportation). After a resident was placed in a job, retention services and continued contact depended upon the needs of the resident. In addition, one of the three FICs, Los Angeles, had a case management component. As noted earlier, the case manager reviewed the educational background, work history, skill level, family needs, and interests of new clients. Referrals were made accordingly for training and supportive service needs.

Four of the five HOPE VI sites we observed had a case management component, although the intensity of services varied considerably. Three sites referred residents to community resources on an as-needed basis. Only the Baltimore program provided case management services for each resident in the HOPE VI development. The housing authority's Family Support Services division assigned every family to one of three on-site case managers. Each manager had an active caseload of approximately 35 cases. The intensity of services depended on the resident's needs. About half of the families met weekly with case managers.

Two of the three Neighborhood Networks sites offered informal case management. In Baltimore and Boston, staff members referred participants to other providers for supportive services. The Milwaukee TOP program also provided case management. The case managers assessed the needs of the elderly, substance abusers, residents with mental health problems, and employment seekers, and helped them obtain services from the community. The level of contact between case managers and residents varied depending on individual needs. At a minimum, case managers met monthly with residents and conducted six-month reviews of their initial assessments. Some form of case management was provided by four of the five Youthbuild sites.

The level of intensity varied from follow-up of graduates to one-on-one planning. At a minimum, staff referred participants to services as needed. Case management was most intensive in Los Angeles, where a case manager on staff provided counseling and referrals to assist trainees with health care, housing, child care, and family emergencies that might otherwise interfere with their ability to succeed. Finally, some of the YAP sites noted that case management is offered informally to those who need it.

We also observed instances where case management primarily occurred outside of the HUD programs under study. The Los Angeles housing authority's Welfare-to-Work program had 10 case managers who typically met with or contacted their clients one to three times per week. Together, the case manager and client developed an Individual Service Strategy, defining both short and long term goals and identifying barriers to employment. Case managers also helped clients obtain other needed services, including child care, transportation assistance, drug and alcohol abuse treatment, and domestic violence counseling. Case managers continued to work with clients after job placement to help them retain employment and secure any other services that may be needed. In addition, the one-stop satellites had case managers on site to review the client's occupational skills, family history, education, work history, supportive service needs, goals, and general attitudes and motivation. Based on this assessment, the case manager drew up a service strategy.

J. Barriers to Employment

1) Summary of Research

Research suggests that personal and environmental barriers often limit employment prospects for welfare recipients. Personal barriers include domestic violence, mental health, and substance abuse. Examples of environmental barriers include child care and transportation.

The Women's Employment Study (WES) found that women on welfare are more likely to experience a barrier than those not on welfare, and that the probability of being employed 20 or more hours per week declines as barriers increase. Starting in 1997, WES tracked a random sample of single mothers on welfare in an urban Michigan county to determine the prevalence of barriers to employment. The study examined lack of car/drivers' license, depression, alcohol dependency, drug dependency, mother's health problem, child's health problem, and domestic violence. In many cases, women on welfare were considerably more likely to have a barrier when compared with a national sample of women. For example, 27 percent of welfare recipients experienced depression, compared to 13 percent of the national sample. Those with depression were about 25 percent less likely to work 20 or more hours per week than those without the barrier (46 percent versus 61 percent).

When multiple barriers were present, the probability of employment declined further. For women in the sample with no barriers, the probability of working 20 or more hours a week was 78 percent; for women with one barrier, it was 70 percent. However, two or three barriers decreased the probability of working to 56 percent; four to six barriers decreased it to 36 percent.

2) Summary of Housing Authority Activities

Services Addressing Barriers to Employment	HUD Program
On-site	FIC HOPE VI Jobs Plus
Referrals	EDSS FSS MTO Neighborhood Networks Step-Up TOP YAP Youthbuild DEG

All HUD programs observed, with the exception of Section 3, offer barrier removal services, either directly or through referrals.

Three HUD programs offered on-site services: FIC, HOPE VI, and Jobs Plus. The most common services offered were child care and health services. For example, two of the three FICs we observed, Baltimore and Milwaukee, offered on-site child care services and health education. For example, one Baltimore FIC offered child care for children under age three if their parents are participating in center programs, before- and after-school child care (and vacation care), and a Head Start wrap around program. Similarly, the HOPE VI programs in Baltimore and Milwaukee offered child care (infant, toddler, and before/after school care) and full service health clinics on site. Finally, both Jobs Plus sites addressed possible barriers to employment, and strategies for overcoming them, during intake. Often, services were available on site. In Baltimore, for example, Visions for Health helped those without insurance to access health care. The Margaret Ruffin Center provided child care during non-standard hours. Also, the Jobs Plus staff was trained by the welfare agency to process child care vouchers on site, and bus tokens and passes were available.

A number of HUD programs offered services that address barriers to employment primarily through referrals. Both EDSS sites, for instance, referred clients to child care, transportation, remedial education, substance abuse prevention, and other supportive services as needed. In four of the five FSS programs we observed, the client's service plan or contract of participation addressed barriers to employment and the services that would be needed to overcome them. Other programs that offered referrals, primarily for child care and transportation, included MTO and Neighborhood Networks. The Step-Up program also provided child care to all participants, regardless of whether they were TANF clients. A Human Services Manager also was available to assist with housing problems, denial of medical assistance, and other emergencies. All YAP sites questioned participants about potential barriers to participation in the program during intake. Referrals were provided as needed for child care, transportation, low cost health services, assistance with legal dilemmas, and assistance finding affordable housing. Likewise, in all five

Youthbuild sites, participants could get referrals to needed services, such as substance abuse or mental health on an as-needed basis.

Other programs focused on more personal barriers to employment, such as mental health issues and substance abuse. One of the three TOP programs, Milwaukee, focused on helping residents with mental illnesses or substance abuse problems to obtain services from community agencies. The grant funded an on-site nurse and social worker to provide general alcohol education to all residents and to facilitate access to treatment and compliance with treatment regimes. In addition, three sites use (or plan to use) the DEG to help eradicate substance abuse in developments and co-locate supportive services that will enable participants to work. The focus of the programs in two sites where the program is operating is somewhat different.[30] In San Antonio, staff notes that substance abuse flourishes in environments where people are not fully utilizing their time. Thus, the program seeks to offer alternatives for residents who might otherwise spend time involved with drugs, such as youth sports leagues and entrepreneurship programs for adults. In Baltimore, the two programs funded by the DEG aim to help people overcome substance abuse problems through referrals to health care services.

Housing authorities also addressed barriers to employment outside the realm of HUD employment and training programs. The most common barriers addressed by the five housing authorities are child care and transportation.

In Milwaukee, the housing authority provides child care on site at all five family developments. It is available to all residents, not just welfare clients. The Baltimore housing authority is the largest provider of day care services in the city. There are 10 child development centers, which provide over 750 slots. Child care is provided on site at the FICs, and at the developments targeted by HOPE VI, Jobs Plus, and DEG. The housing authorities in Boston, Los Angeles, and San Antonio typically address the need for child care through referrals to providers, although a limited number of developments in Los Angeles have child care centers that are operated by resident management corporations.

Transportation was identified as a barrier by staff at four of the housing authorities. In Baltimore, Los Angeles, Milwaukee, and San Antonio, program staff helped clients secure transportation by offering tokens or bus passes. Transportation seemed especially problematic in Los Angeles, which does not have an extensive rail system to transport residents from areas of high unemployment to those with job opportunities. As a result, residents who do not own vehicles must rely primarily on buses, which can be both time consuming and complicated. Case managers of the housing authority's programs assisted their clients in obtaining transportation vouchers or tokens through the welfare department. The Boston housing authority staff was unique in its assessment that transportation is not a barrier to employment. Staff noted that most residents could reach employment or social service providers on the extensive public transportation system and the housing authority assisted with bus and subway passes and tokens. However, staff views psychological barriers as a larger deterrent to work than physical barriers. Many residents simply do not want to leave their developments or immediate neighborhoods.

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[30] The Boston program is still being developed.

K. Cash and in-kind supports

1) Summary of Research

In the pre-TANF environment, policies to "make work pay," such as the Earned Income Tax Credit (EITC) were discussed in terms of making employment more attractive than welfare. Today, choosing between welfare and work is not an option. Policies such as the EITC serve a different role: helping women to provide an adequate standard of living for their families and move toward self-sufficiency.

There are a number of policies that can help working families move out of poverty, such as the EITC and earned income disregards.

EITC. Numerous studies indicate that the Earned Income Tax Credit (EITC) encourages work. According to one study, the EITC lifted more children out of poverty than any other government program or category of programs. The Center for Budget and Policy Priorities (CBPP) determined that the number of single mothers who worked grew substantially between 1984 and 1996, and that half of this increase resulted from the EITC program and its expansion during this period. In 1996, according to CBPP, the EITC lifted 4.6 million people in low-income working families out of poverty. In 1997, over 19 million workers received credits totaling $28 billion.

Income Disregards. Disregarding (or not counting) a portion of earned income for the purpose of calculating welfare benefits can serve two purposes. It can encourage welfare recipients to work by allowing them to keep more of their earnings in addition to their welfare grants, thus increasing total income. It can also supplement the income of those who work in low-wage jobs. It is an attractive policy, since welfare recipients can gain work experience without losing their safety net, and possibly gain skills that might help secure a higher paying job in the future. Recent evaluations have shown promising results, although it is difficult to determine how much of an increase in work or earnings is due to the disregard versus other policy changes. For example, the Minnesota's Family Investment Program includes a 38 percent disregard of earnings as well as a 20 percent increase in the base TANF grant for workers. An evaluation of the program found that employment and earnings increased substantially, and that the positive impact for some groups was due largely to the program's financial incentives. Income disregards, however, can be a double-edged sword. In a time-limited welfare environment, a client who mixes work and welfare uses up a share of her lifetime benefits. Some states are exploring ways to exempt clients who mix work and welfare from time limits.

2) Summary of Housing Authority Activities

Cash and In-kind Supports	HUD Program
One component	FSS Jobs Plus MTO

Three HUD programs offered cash and/or in-kind supports to participants. FSS provided an escrow account; the funds were available to clients upon completion of their contract of

participation. Housing authorities encouraged participants to use the funds for home ownership, post-secondary education, a car, or similar purposes that would aid in self-sufficiency, although the accounts can be used for any purpose. In Boston, the amount of savings FSS participants accrued in their escrow accounts ranged from $4,600 to $17,000.

A key component of the Jobs Plus program was enhanced financial incentives to encourage work. The two sites we observed took different approaches. Baltimore proposed decreasing the rent calculation for working families from 30 percent of earned income to 20 percent. The housing authority also plans to implement a rent ceiling (Riccio, 1999). Los Angeles is seeking approval from HUD for a rent incentive package that includes an 18-month rent freeze for working families, followed by flat rents. The housing authority is also considering a voluntary escrow account, to help facilitate the movement of Jobs Plus participants from welfare to work.

Finally, families that participated in MTO received a housing voucher that was redeemable only if they moved to a census tract where less than 10 percent of families were in poverty. In the two sites we observed, non-profit organizations also helped families obtain credit reports, fill out housing applications, and assemble monthly budgets.

In addition to the HUD programs under review, a principal cash support available to housing authorities was the disregarding of residents' earned income for the purposes of rent calculation. Just as welfare recipients who fear that increased earnings will negatively affect their welfare benefits might be less likely to work, residents who fear that earnings resulting from employment will result in a large increase in rent might be discouraged from working. Disregarding earnings when calculating rent could ease concerns. Federal law, in fact, required PHAs to disregard, for a set period, any increase in public housing residents' earnings resulting from participation in a public training and employment program. The Quality Housing and Work Responsibility Act (QHWRA) of 1998 requires housing authorities to disregard all increased income from employment for an initial 12-months and 50 percent of increased income for a subsequent 12-month period.

Conversations with housing authority staff revealed that the earnings disregard was not applied consistently. Only Baltimore appeared to have a policy similar to QHWRA. During the first year of a new job, the rent is not adjusted to reflect the increase in earned income. The freeze ends after one year. During the second year, rent cannot increase more than 50 percent of the allowable amount of the increase. The full income-adjusted rent increase goes into effect at the beginning of the third year.

In one of the five sites we visited, some portion of resident income is disregarded; in another, individual developments were taking the initiative to educate tenants about the HUD law. In Milwaukee, for example, residents received a $2,000 income disregard when they found employment, and their rent did not increase until their following annual review. In Boston, staff at one development was working with Greater Boston Legal Services (GBLS) to educate residents about HUD's 18-month rent freeze policy for residents whose income increases as a result of job training. In 1999, notices were placed in rent statements alerting tenants that if they lived in public housing since October 1994 and received employment training and subsequently went to work, they were entitled to a rent freeze for 18 months after beginning their jobs. Other developments may follow suit.

Housing authorities also attempted to educate residents about the EITC. The Milwaukee housing authority, for example, disseminated information regarding tax credits in rent statements, as well as through the management office and agencies that are on-site at developments. In Baltimore, individual Resident Associations helped educate residents about cash and in-kind benefits by organizing meetings to discuss welfare reform, the EITC, and other supports. In Boston, one development placed information about EITC and other supports in the community center.

Housing authorities made other in-kind supports available on a development by development basis. Two of the five family developments in Milwaukee, for example, had CBOs on site that operated food pantries where residents can get food free of charge or at reduced rates. In Boston, staff from one development worked with a local food bank to distribute food baskets to residents. The food baskets are available in the community center, and as a condition for receiving one, non-elderly residents had to peruse the job listings or the training program binder.

L. Transitional Supports

1) Summary of Research

Welfare recipients often need to learn a variety of "soft skills" to help them cope with the work world. Participants face numerous challenges when they beginning work, including adapting to the new costs and demands of working; meeting the demands of the workplace (fitting into the workplace culture, meeting performance standards, and adjusting emotionally); dealing with the lack of support by family and friends; and finding a new job following job loss.

Some programs use life skills training and support groups to help clients transition from welfare to work.

Life skills training. Because many welfare recipients have little recent work history, they might be unfamiliar with the demands and requirements of the workforce. They might need assistance in learning how to balance work and family. Life skills training might include assistance with: budgeting, job etiquette, developing goals and recognizing personal challenges, changing destructive habits, building self-esteem, and peer support groups. Life skills training classes also help to identify those in need of more intensive services because program staff works closely with participants on a highly personal level. As a result, screening and other assessment tools previously discussed often take place during life skills sessions.

Support groups. Having someone, or a group, to talk to on an ongoing basis during the transition from welfare to work might make the process easier for some women. Although support groups and mentoring may be low-cost, common sense, supportive arrangements, little is known about the effectiveness of these interventions. One example is the West Humboldt Employment Training Center, located in a low-income Chicago neighborhood, which provides social support through support groups. Participants select from one of several support groups, depending on their personal and family needs. At weekly group meetings, participants share steps they have taken to meet explicit goals. According to staff, since the groups began operating, case managers have had to deal with fewer emergencies. They attribute the decline to participants' knowledge that they have a set time each week to discuss problems.

2) Summary of Housing Authority Activities

Transitional Supports	HUD Program
Central element	MTO
One program element	FIC FSS HOPE VI Jobs Plus Neighborhood Networks YAP Youthbuild DEG

All HUD programs, with the exception of Section 3, provided access to transitional supports.

These supports were a central element of MTO. In both sites, participants received general transitional supports prior to moving to a low-poverty area. The life skills topics included assistance with credit reports, how to assemble a monthly budget, how to interact with landlords (what to wear, what to bring), and how to prepare for the move. After the move, housing counselors provide referrals to transitional services on an as-needed basis.

Transitional supports were also a common aspect of seven other HUD programs. For example, in YAP and Youthbuild, transitional supports were often built into the larger education component. Examples of topics included appropriate communication skills, dealing with difficult supervisors, getting input from others, and conflict resolution. Programs that offered a constellation of services on site, such as Jobs Plus, HOPE VI, and FIC, often included transitional supports. All three FICs and the Baltimore HOPE VI site, for example, offered parenting education. Peer support groups were available at the Milwaukee FIC and the Baltimore Jobs Plus site. All FSS sites referred clients to transitional supports as needed.

Some Neighborhood Networks and DEG sites offered transitional supports to clients with minimal or no work experience. The Boston Neighborhood Networks program, for example, had a life skills component that included training on office-related skills, such as how to talk on the telephone, to more personal problems such as dealing with credit, managing time, and budgeting. The San Antonio DEG program included a pre-employment component that focused on interpersonal skills, self-esteem, conflict resolution, and life skills training.

CHAPTER V: SUMMARY OF FINDINGS AND CONCLUSIONS

A. Summary of Findings

1) HUD programs are generally consistent with the literature on employment and training programs

HUD programs under review were generally consistent with promising welfare-to-work approaches identified in the literature and emphasized approaches and components adapted to a work-first environment. Most programs that offer basic skills education, training, or post-secondary education are related to the needs of the local labor market and are employment focused. Almost all programs stress job search or contain a job search component. However, two of the more effective program components, subsidized employment and on-the-job training, were not well represented in HUD programs implemented at the selected sites. Assessment and case management were among the most common program elements observed; however, while intuitively sensible, their connection to employment and self-sufficiency is not well established in published studies. Finally, almost all programs attempt to help residents overcome barriers to employment, such as child care, either directly through the provision of on-site services or through referrals.

a) Most HUD programs are employment focused

Three programs are employment focused: Section 3, Jobs Plus, and EDSS. While none excludes the option of training, the overarching focus of each program is work. Three training programs could be classified as education- and training-focused with a strong work element: Step-Up, YAP, and Youthbuild. They provide hands-on experience in a well-paying trade and often help place participants in jobs. Only two programs, FSS and Neighborhood Networks, could be classified as education- and training-focused initiatives.

The remaining HUD programs are not easily classified. These include FIC and HOPE VI, both of which provide space to housing authority and non-housing authority service providers. Services offered by these programs range from basic education to job search.

b) Job search is a key program component

Almost all programs offer some form of job search. For some, such as EDSS and Jobs Plus, job search is a central focus, and participants have access to both job-related and supportive services. In other programs, job search is one, albeit smaller, component of a larger intervention. Step-Up, YAP, and Youthbuild, for example, focus on training in specific fields, although participants often receive assistance finding jobs. Programs such as FIC and HOPE VI aim to provide a constellation of services to residents, and job search is one such activity. Other programs, such as FSS and MTO, refer clients interested in employment to other service providers. Neighborhood Networks also had job search activities in some sites.

c) Training programs are generally linked to work

HUD vocational training programs range from long-term (one or more years) efforts that seek to prepare participants for specific careers or trades to short-term or customized training. Most of these HUD programs train residents for jobs in demand. Youthbuild, YAP, and Step-Up train participants for construction-related jobs. Because housing authorities spend millions of dollars each year on construction and renovation, there is a demand for skilled labor. Only in YAP was there a guaranteed job; the others sought to place participants in permanent jobs, however. Other HUD programs, such as FIC, HOPE VI and Jobs Plus, incorporate short-term or customized training programs that focus on high-demand jobs such as child care and health services on a site-by-site basis. Neighborhood Networks focuses on computer skills.

d) Education is often one part of a larger intervention

No single HUD program focuses exclusively on basic skills education. Youthbuild, YAP, and Step-Up, for example, combine hands-on construction experience with basic education. Consistent with the literature, the educational component is viewed as a means of opening up future possibilities (e.g., jobs with increasing responsibility) and not as an end in itself. Other HUD programs, such as FIC, Jobs Plus, and HOPE VI, offer more self-contained basic education courses. In these cases, staff suggests that basic education is an important step toward self-sufficiency, one that will make a candidate more employable. Even in these instances, however, the basic education courses are one of several employment-focused activities that residents can select. FIC, Jobs Plus, and HOPE VI also offer job placement services and linkages to vocational training.

e) Post-secondary education is one of the least common program elements

Staff from most of the HUD programs noted that referrals to post-secondary institutions are possible under program guidelines, but that they are infrequent. FSS is the HUD program most likely to refer participants to post-secondary education. The Jobs Plus program in Baltimore also had agreements with local community colleges to offer customized training as needed. One factor for the infrequent post-secondary education referrals is the structure of the welfare programs in the five sites. Only the Maryland TANF program counted post-secondary education as a TANF work activity. In other sites, a TANF beneficiary would have to combine education with work.

f) Subsidized employment and on-the-job training are less common

These are relatively rare program elements, even though evaluations of subsidized employment and on-the-job-training programs found significant, positive impacts on employment and earnings. Three programs used these components. YAP and Section 3 used on-the-job training extensively. Subsidized employment, or using TANF grants to fund program services, was part of the Step-Up program. There appears to be an opportunity in some sites for housing authorities and welfare agencies to collaborate and use TANF funds to support HUD programs. In three of the five sites we observed subsidized employment and on-the-job training were allowable work activities under TANF rules. In Baltimore, for example, subsidized employment was used to fund a number of resident initiatives, in addition to Step-Up.

g) Assessment can reveal barriers to employment

Almost all HUD programs have an assessment component. In some cases, assessment is used to screen for program eligibility and possible barriers to participation, including substance abuse, skills deficits, and learning disabilities. In other programs, assessment involves gathering information on a client's educational attainment, work history, goals, and barriers to employment, with the aim of creating a service plan. The plan may focus on steps a resident could take to secure employment, or it may focus on overcoming barriers by referring the participant to GED classes, ESL, or other service providers.

h) Case management is common, yet the link to employment is less clear

Case management is a central component of three HUD programs: FSS, Jobs Plus, and MTO. Other HUD programs incorporated case management on a site-by-site basis. For example, we observed case management services at some, but not all, HOPE VI, EDSS, Neighborhood Networks, Youthbuild, YAP, TOP, and FIC programs. Most often case management links a resident to supportive and/or educational services. To the extent that such services make a resident more employable, they are a positive step. However, they often fall short of a work-first orientation. Jobs Plus and EDSS had the strongest focus on employment.

i) Direct provision of barrier amelioration services varies by site

Assessment and case management are the primary methods for determining barriers to employment and helping residents access services. While all housing authorities visited provided referrals for services, a number of housing authorities provided on-site services or space for barrier amelioration providers, including child care and health services. Most often, on-site services were provided through the HOPE VI, Jobs Plus, and FIC programs. DEG is also used by housing authorities to co-locate supportive services at targeted housing developments. In addition, housing authorities offer barrier removal services outside of discrete HUD employment and training programs. In Milwaukee, for example, child care is available at all five family developments, and multiple developments have health care providers on site. In Baltimore, the housing authority is the largest provider of child care services in the city.

2) Fewer HUD employment and training programs serve Section 8 recipients

Families holding Section 8 vouchers and certificates have less access to employment-focused HUD programs since the three employment and training programs that target Section 8 recipients are generally not work-focused. FSS has historically promoted education and training as a means to self-sufficiency and has encouraged participants to obtain advanced degrees that will improve their long-term employability. MTO primarily focuses on providing opportunities for families to live in areas with low poverty, in the belief that these areas will offer greater job opportunities and generally improve the life chances of participants. MTO programs help families find and lease approved privately owned housing units. Post-move supports, including counseling, job development workshops, and referrals for social services and/or education and training are available but participation is not mandatory. With the implementation of local programs using the new welfare to work vouchers, there will be a much stronger focus on linking this tenant-based rental assistance with job search and placement programs.

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An important issue to consider for programs that target these Section 8 recipients is the greater difficulty they may find in reaching these clients. Unlike residents in public housing developments, Section 8 recipients are often scattered throughout many neighborhoods. Welfare and labor department officials may find working with public housing developments a more attractive option because they provide access to a large number of TANF clients in one place. Individual private owners or managers of properties in which some residents receive tenant based Section 8 assistance may not have the capacity or inclination to establish linkages with welfare and labor agencies for those receiving TANF assistance. In these cases, access to PHA programs may need to be expanded to serve these residents.

For families receiving Section 8 project-based assistance in privately-owned, HUD insured multifamily developments, HUD's Neighborhood Networks Initiative offers computer-based training and educational programs. However, the range of services offered is highly variable, and the number of developments that have Neighborhood Networks centers is very limited.

3) TANF resident participation in HUD programs is uneven

Only one HUD program, Jobs Plus, primarily served residents on welfare in all sites observed. This is not surprising, since Jobs Plus was designed to help resident transition from welfare to work. Other programs, such as EDSS, FIC, FSS, HOPE VI, and YAP served TANF clients, though to a lesser extent.

One factor that hinders program participation for TANF clients is the welfare rules in the five sites. The welfare department in only one site, Baltimore, accepted participation in HUD programs as work activities. The welfare department in a second site, Los Angeles, allowed TANF recipients to participate in the housing authority's programs *only* if they were unable to find work during a mandatory three-week job club. In the remaining three sites, Boston, Milwaukee, and San Antonio, welfare departments operated work-first programs that focused on employment at the earliest possible time. Consequently, acceptable work activities were those focused primarily on job search, and participation in education and training programs, including those offered by housing authorities, did not count.

Another factor that appears to limit participation in many HUD programs is the nature of the training. Step-Up, YAP, and Youthbuild are heavily focused on construction-related occupations. According to the staff at a number of housing authorities, many single mothers are not attracted to manual labor, while others find it difficult to arrange child care to deal with the long hours and travel requirements of construction work.

4) Programs that target TANF recipients combine HUD funding streams and harness resources from the broader community

A number of the local efforts observed combined HUD program funding streams and community resources to create employment and training programs that are locally designed and targeted toward residents on welfare.

a) Jobs Plus pools resources from other agencies

The Jobs Plus required housing authorities to collaborate with welfare and labor agencies to fund and design a program to help TANF recipients transition from welfare to work. In Baltimore, for example, the $200,000 Jobs Plus grant (awarded to each of the seven national Jobs Plus sites) was matched by $250,000 from the housing authority, $80,000 from the local labor department, $100,000 from the Empowerment Zone, and $50,000 from the local welfare department. The welfare department worked with the housing authority to craft program activities that will count toward the TANF work requirement. Thus, TANF recipients have a range of services available. The labor department is on site to help place participants in jobs. The on-site child care center facilitates the transition to work. Residents who are not job-ready, or want to improve their job skills, work with on-site case managers to access activities such as on-the-job training, work experience, and education programs.

b) Housing authorities combined HUD funding streams to create employment-focused programs tailored to community needs.

Housing authorities also adapted existing HUD programs to serve TANF clients and other employment seekers. This often involved combining HUD funding streams or tapping into labor and welfare department resources. In Milwaukee, for example, the housing authority used EDSS and HOPE VI funds to finance resident employment coordinators. These staff persons are the point people for residents seeking work. They conduct the assessments and serve as case managers and job developers. In two of the five developments targeted by the program, the resident employment coordinators also work with staff from the county welfare department and the "W-2 agencies" that administer the TANF program and the city's one-stop job centers. Coordinators work in tandem with W-2 staff on job search assistance; county staff assists with Food Stamp, Medicaid, and child care issues.

In San Antonio, the housing authority worked with the labor and welfare departments to establish one-stop resource centers at nine housing developments. The need for a service delivery system for the pending HOPE VI projects was the impetus for creating this model. While the housing authority's two HOPE VI developments are being constructed, residents of the public housing projects demolished to make way for the new projects have been temporarily relocated. The housing authority wanted to provide services to these residents in the interim, and developed a one-stop approach that became a model for a larger initiative. The housing authority partnered with the welfare and labor departments to create the Resident Opportunities and Achievement and Development (ROAD) Centers. It is providing space at nine developments for the Centers. In addition, FSS coordinators will be housed at the Centers to assist with counseling and supportive service referrals. The on-site welfare agency staff will provide eligibility determinations for TANF, Food Stamps, and Medicaid. The labor department will provide the employment services, including job readiness training, job placement, and post-employment services.

c) The Los Angeles housing authority's primary programs for TANF clients is outside of HUD programs under review

In Los Angeles, the primary employment programs for residents on TANF fall outside of the discrete HUD programs under review. The Welfare to Work program is funded by a competitive welfare-to-work grant from the U.S. Department of Labor. The local labor department provides space at its one-stop career centers for the housing authority's welfare-to-work case managers, and the Private Industry Council, which funds employment and training services in the community, provided funding to serve additional residents. The Welfare-to-Work program is designed to operate in a work-first environment. Staff assesses clients to determine career skills, develop a service plan, and assist with job search. TANF clients can receive their work-related services through the program so long as the welfare agency certifies eligibility. The local department of labor also funds "satellites" to the one-stop career centers at a number of housing developments.

5) Strong linkages exist with labor agencies; relationships with welfare departments could be strengthened

We found varying levels of collaboration between housing authorities and the welfare and labor agencies in their communities. In all five sites, the housing authorities had a history of collaboration with the labor agencies. In Baltimore, for example, housing authority and labor department staff worked together to create the People Accessing Continued Employment (PACE) program at four developments to provide pre- and post-employment services to residents. In contrast, collaboration in Boston was more limited. In the past, the labor department simply funded outreach workers to inform residents about employment and training services in the community.

However, linkages with the welfare agencies appeared to be underdeveloped in many sites. While Baltimore and Milwaukee housing authorities have worked with welfare agencies in the past to design and administer programs to serve public and assisted housing residents, relationships and joint planning efforts have just begun in Los Angeles and San Antonio. In Boston, there is no coordination of employment services among high level housing authority and welfare department staff; although some coordination occurs between individual developments and local offices.

6) The implementation of financial incentives for residents must be resolved

HUD employs financial incentives to encourage public housing residents to work or seek training. The key HUD policy is contained in the 1998 Quality Housing and Work Responsibility Act (QHWRA), which replaced the 18-month mandatory income disregard with a 24-month disregard for residents whose income increases as a result of work or training. Under the new policy, housing authorities are required to disregard all increases in income from employment for an initial 12 months and 50 percent of increased income for a subsequent 12-month period. In addition to QHWRA, some individual housing authorities have similar financial incentives in place to encourage employment. Milwaukee, for example, disregards the first $2,000 of earned income when a resident becomes employed and does not increase the monthly rent until the following annual review.

The negotiated rulemaking process, which will clarify QHWRA policy, was incomplete at the time of our site visits. We found significant confusion among PHA staff as to the nature of the earned income disregard spelled out under QHWRA and its impact on PHA revenue. At the Baltimore site, the housing authority had implemented a policy that matched the QHWRA guidelines, but in the other four sites, the housing authority staff we met with appeared to be aware of statutory change but unsure about how it will be implemented, in particular, whether and how operating subsidies would be adjusted to cover rent losses. In one case, the Los Angeles authority had asked HUD to review their income disregard policies and expressed concern about going too far without direction from HUD and clarification of how rent losses will be treated in the current year and in the future.

Nor did residents we interviewed appear to know the rules governing HUD's policies on income disregards, and we did not observe systematic efforts on the part of housing authorities to educate residents about the policy. In one site, Boston, a non-profit organization was working with the tenant organization in one development to educate residents about the pre-existing 18-month earnings disregard. This lack of clarity appears to be affecting PHA implementation of the policies, as well as resident benefits from participating in employment and training programs.

7) ***Housing authorities approach issue of helping residents attain self-sufficiency differently***

The five housing authorities we observed also take varying approaches to helping residents attain self-sufficiency. On one end of the spectrum, the Baltimore and Los Angeles housing authorities take a comprehensive approach by providing a broad array of employment and training programs, as well as on-site support services such as child care. The Los Angeles housing authority buttresses this approach with a strong emphasis on using its own construction company, Kumbaya, and resident management corporation-owned businesses for renovation and modernization projects.

On the other end of the continuum, the Boston housing authority adopted a more limited and decentralized approach to service delivery, guided by three principles: residents should use services located off site; the housing authority's role is primarily as a referral agent to other service providers; and, individual tenant organizations should take the lead on addressing the needs of their residents.

Falling in the middle, the Milwaukee and San Antonio housing authorities operate in strong work-first welfare environments. Both take the position that housing providers should help residents access employment and training services. In both sites, residents are often referred to outside providers. The Milwaukee housing authority also recognized that bringing community-based organizations on-site built important bridges to the community. Each family development has a number of on-site providers offering work supports ranging from child care to health services and food assistance. San Antonio is moving in the direction of on-site services. In summer 1999, the first ROAD Center opened at a housing development, and eight more will follow.

B. Conclusions

HUD has a long-standing interest in promoting the self-sufficiency of residents in public and assisted housing. Crafting new policies at the national level, however, is difficult, because housing authorities have a great deal of flexibility in structuring employment and training services for their residents. While this flexibility is important to meet local needs, it makes it difficult to create standardized programs. Housing authorities determine whether services will be offered by their staff or others in the community; whether services will be offered on-site at developments or through referrals to community organizations; and even whether services will be provided at all. Housing authorities also decide whether and the degree to which they will work with local welfare and labor authorities.

Despite these variations, our observations and interviews with staff during the site visits suggest a number of steps HUD could take to strengthen employment and training services for residents. First, HUD could facilitate collaboration among housing authorities, welfare departments, and labor departments. HUD activities could include providing PHAs with technical assistance or training on collaborations, encouraging PHAs to focus on retention and advancement services for employed residents, including incentives for collaborations in HUD's assessment systems, and helping provide a stable funding platform for collaborations. Second, HUD could take steps to ensure that PHAs have implemented the financial incentives for working residents outlined in the 1998 Quality Housing and Work Responsibility Act. Finally, HUD could address the lack of participation in certain programs among residents on TANF by determining barriers to participation and adjusting programs accordingly. If this proves difficult, HUD could consider ways to target non-custodial parents for these programs.

1) PHA employment and training activities for TANF residents could be designed to facilitate and support resident participation in welfare and labor funded services

Housing authorities, and welfare and labor agencies, share a common goal of helping TANF recipients gain employment. A large proportion of non-elderly families in public and assisted housing receives TANF. Thus, housing authorities could lose rent revenue if residents lose their welfare benefits and fail to find or maintain employment. The welfare and labor agencies are responsible for helping TANF recipients access work and supportive services. All three agencies not only have a vested interest in helping residents find jobs but also in helping them stay employed. Clients who cannot maintain employment will quickly exhaust their lifetime TANF benefits.

Housing authority programs that target TANF recipients, such as Jobs Plus, the Welfare-to-Work program, the San Antonio one-stop Resident Opportunities for Achievement and Development (ROAD) Centers, and the resident employment coordinators, involve collaboration with welfare and labor departments. In some cases, these agencies provide funding; in others, staff. In all cases, the housing authorities leverage resources from these outside agencies. This enabled them to conserve resources, which is important given their limited funding for employment and training and supportive services. Welfare and labor agencies, on the other hand, have considerable resources for these activities. In addition to TANF block grant funds, there are a host of financial resources in the community, including Workforce Investment Act (WIA) funds, Welfare-to-Work funds, and other state and local funds. The housing authority could assure

access to a broad array of services for residents if it leveraged the resources available in the community. The question for housing authorities, then, is how they can augment and facilitate resident access to services provided by the welfare and labor agencies.

Housing authorities make attractive partners for their welfare and labor counterparts for a number of reasons. They provide access to a large number of TANF recipients in single locations, and may often be the first point of contact for residents seeking information about changes in the welfare system. As such, they are a resource for information on welfare and a source of referrals to welfare agencies and employment and training programs. Housing authorities can also offer space for on-site service providers, including welfare and labor staff. In addition, they can serve as "vendors" for welfare or labor department-funded employment and training services. Finally, housing authorities can provide opportunities at their developments for residents on TANF to meet their work requirements. For example, TANF recipients who cannot find unsubsidized employment could be offered community service jobs in the areas of maintenance, construction, or child care services. Housing authorities could also target available employment opportunities specifically to residents at risk of exhausting their benefits.

HUD can take meaningful steps to facilitate collaboration among housing authorities, welfare departments, and labor agencies.

a) HUD activities could support this strategy by providing appropriate written materials, training, and technical assistance to PHAs

While housing authorities were selected for this study because each was operating several of HUD's employment and training initiatives under review, we also found variations in their level of knowledge of welfare policies, such as work requirements and acceptable activities, and in collaboration with welfare and labor agencies. To help housing authorities become more involved in helping residents meet work requirements, HUD could provide more information to PHAs on welfare reform, the roles of welfare and labor agencies, and the sources and uses of funds for employment and training services. This could include written materials on welfare policies at the state level, training on how to create partnerships with labor and welfare agencies, and technical assistance to help individual housing authorities develop strategies to fund employment and training activities. HUD could work with housing authorities that have established relationships with their welfare and labor counterparts to educate others about successful practices.

b) HUD could encourage PHAs to focus on retention and advancement services

TANF recipients who begin work for the first time often need help retaining their jobs and advancing in the labor market. Welfare departments are currently working to design initiatives in this area. One challenge is finding ways to encourage working clients to continue to access services and work supports. Welfare agencies often lose contact with clients after they begin working. Housing authorities are in an ideal position to address this service gap. Developments offer access to a large number of current and former TANF clients. Often space is available to co-locate staff from the welfare or labor departments. Using the Baltimore example, the People Accessing Continued Employment (PACE) program, designed by the housing authority and the city's labor department, provides pre-placement, post-placement, and job-replacement services

on-site at a number of housing developments. In terms of advancement, efforts to help low-wage workers combine work and education could help them advance in the labor force. Housing developments could make space available for classes during non-work hours. Many developments also offer on-site child care.

HUD can give retention and advancement services visibility by encouraging housing authorities to meet with welfare agencies to discuss joint efforts. The housing authorities could receive funding from the TANF agencies to provide post-employment services. In addition, HUD can encourage housing authorities to participate in ongoing evaluations of retention and advancement services. The U.S. Department of Health and Human Service's Administration for Children and Families, for example, has made job retention and advancement a major priority. Housing authorities with retention programs (e.g. PACE) could join with their respective welfare agencies to develop strategies in this area.

c) HUD could include incentives for collaborative employment and training programs in the new PHAS and SEMAP assessment systems.

HUD has developed new assessment tools for public housing, the Public Housing Assessment System (PHAS), and for housing authority administration of tenant based Section 8 programs, the Section Eight Management Assessment Program (SEMAP). The PHAS assessment is a tool to determine the extent to which housing authorities will be deregulated and permitted wider discretion in management and operation of public housing. A high-performing authority may also be eligible for bonus points in certain grant competitions. The assessment system references self-sufficiency activities under criteria addressing resident satisfaction, but almost all of the rule language speaks to customer satisfaction surveys, not to employment and training. SEMAP attempts to implement a similar concept. By adding employment and training efforts as a specific factor in these assessment frameworks, HUD could increase the motivation of local agencies to expand their linkages to local welfare and labor agencies.

d) HUD and PHAs could consider establishing funding mechanisms to provide a stable platform for PHA collaboration with local welfare and labor agencies

Effective collaboration among the housing authorities and local welfare and labor agencies is time consuming for all involved. Staff time for planning and developing both informal relationships and formal cooperative agreements is a cost to housing authorities that, with a few exceptions, is paid from already over-subscribed operating and capital funds. In most cases, existing Resident Services budgets must cover what are essentially added administrative costs brought on by welfare reform. Some authorities may be able to cover a portion of these costs with Drug Elimination Grant funds, to the extent the activities are related to DEG program goals. Similarly, these activities may be funded as part of the cost of HUD-funded Family Self-Sufficiency coordinators in smaller PHAs.

HUD's Jobs Plus demonstration program is an example of a program explicitly designed to bring about collaboration between housing authorities and the key players in the new welfare system. Most of the funding needed to implement the demonstration was provided from foundations, with limited HUD funding. Authorities that received demonstration grants are expected to work closely with welfare and labor agencies to bring those agencies and their funded services to

demonstration developments. While this model is still being evaluated, the collaboration envisioned makes sense intuitively, given the potential economic consequences of new TANF rules for both residents and housing authorities. Other agencies also are adopting this strategy. For example, the Department of Labor's Welfare to Work grant program (from which the housing authority in Los Angeles was awarded a competitive grant) emphasizes collaboration in planning and coordinating activities among numerous agencies involved in the program.

HUD could recognize the administrative cost to housing authorities of creating collaborative relationships and find appropriate funding mechanisms to support these activities. At a minimum, these costs could be more explicitly recognized in public housing operating cost projections. In the future, the determination of administrative fees for the Section 8 voucher programs could also take account of the administrative costs of welfare-to-work related activities that benefit Section 8 recipients.

From a policy perspective, these public housing administrative costs could be addressed in the ongoing negotiated rulemaking on the new operating fund called for in QHWRA and funding included in HUD's future budgets. Along with the proposed funding of income disregards, this would provide important resources to help PHAs meet the QHWRA goals of transforming public housing developments into communities of residents who work.

2) ***HUD could move aggressively to publish regulations on financial incentives to work and provide the necessary training and technical assistance to help PHAs implement the policy***

The Quality Housing and Work Responsibility Act (QHWRA) provides a number of tools to housing authorities to help them establish policies that will encourage unemployed residents to find work and working families to remain in public housing. These include policies that establish ceiling rents below current "economic rent" levels to attract working families, and give residents the choice of paying flat rents or income-based rents. The Act also outlines a new mandatory income disregard policy for residents whose income increases due to training or work. The new policy replaces HUD's previous 18-month income disregard policy with a two stage, 24-month disregard. PHAs must disregard all increased income from employment for an initial 12 months and 50 percent of increased income for a subsequent 12-month period. Our site visit interviews revealed that income disregards have been implemented unevenly, and that housing authority staff and residents alike are often confused about the rules and their impact on tenant rent payments.

3) ***Current HUD programs that do not appear to serve TANF recipients could be reconfigured to attract more single mothers or redirected to focus on non-custodial parents***

TANF client participation in a number of HUD programs appears to be limited. These programs include YAP, Youthbuild, Step-Up, and Section 3. Housing authority staff described a variety of reasons for low participation, including the nature of construction work and the difficult hours required for single parents with children. HUD could help increase participation among single mothers by determining the barriers to participation and adapting the programs accordingly. If the long hours away from home often associated with construction are preventing participation,

HUD could help housing authorities focus on jobs in the community that do not require a long commute, such as maintenance work. If single mothers find some aspects of construction work more appealing than others, programs could accommodate these interests.

If reconfiguring programs appears to be difficult or not possible, housing authorities could re-target existing programs toward non-custodial fathers. Site visits indicated that the majority of participants in the construction-related programs were men. Staff could not determine what proportion were non-custodial fathers. There was a general sense that many non-custodial fathers would be precluded from program participation because many are not on leases; others have criminal backgrounds. A policy of serving non-custodial fathers would also be consistent with the initiatives in the broader labor environment, including the Department of Labor's welfare-to-work grants and the Workforce Investment Act, that make serving this population a priority.

HUD could provide written materials and technical assistance on how to involve non-custodial fathers in its employment and training programs, addressing such issues such as past criminal activity and leases.

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Success in the New Welfare Environment: An Assessment of Approaches to Work in HUD's Employment and Training Initiatives

Appendix A
Assessment Plan

Prepared for:
U.S. Department of Housing and Urban Development
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Contract Number DU100C000005966

Prepared by:
ICF Consulting
and
The Lewin Group, Inc.

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APPENDICES

BEST COPY AVAILABLE

I. INTRODUCTION: HUD PROGRAMS IN THE NEW WELFARE ENVIRONMENT

Interest in work and self-sufficiency among welfare recipients was heightened among government officials, social service providers, academics, and the general public when Congress enacted Public Law 104-193 on August 22, 1996. The Personal Responsibility and Work Opportunity Reconciliation Act (PWRORA) changed the focus of the welfare system from income support to work. There has been considerable research to date on a number of welfare-related issues including the duration of welfare spells, characteristics that are associated with long spells, and the impacts of demonstration programs that attempt to help women avoid dependency. Less information is available on the effectiveness of programs and services designed to help welfare recipients sustain employment and achieve self-sufficiency.

Given the large number of welfare recipients who reside in public or assisted housing, one agency which will certainly be affected by welfare reform is the U.S. Department of Housing and Urban Development (HUD). The Department has long recognized that its clients face multiple barriers to self-sufficiency, and that housing assistance alone will not enable them to overcome those barriers. Consequently, HUD has encouraged housing providers to find ways to help residents obtain essential supportive services, including education and job training, job placement, child care, and transportation. Since the mid-1980's, HUD has launched a series of programs and initiatives designed to integrate social services with housing assistance:[1]

- **Economic Development and Supportive Services (EDSS).** The Economic Development and Supportive Services program provides competitive grants to PHAs to establish education, training, and supportive service programs.

- **Family Investment Centers (FIC).** FIC provides families living in public housing with better access to education and employment opportunities by providing seed money to PHAs for the construction of service centers.

- **Family Self-Sufficiency (FSS).** The Family Self-Sufficiency program aims to help residents of public housing and recipients of tenant-based Section 8 assistance become self-sufficient though education, training, and the provision of supportive services, with an emphasis on case management to help residents systematically plan their transition to self-sufficiency.

- **HOPE VI.** The goal of HOPE VI is to revitalize severely distressed public housing developments by simultaneously investing in buildings and residents. While the majority of HOPE VI funds are used for construction, rehabilitation, and provision of replacement housing, HOPE VI provides gap money for community and social services.

- **Jobs Plus**. Jobs Plus is a demonstration program constructed by HUD, HHS, Manpower Development Research Center and several foundations to test the impact of intensive and integrated employment and support services upon the transition of welfare recipients to work.

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[1] Complete program profiles can be found in **Appendix A**.

- **Moving to Opportunity (MTO).** Moving to Opportunity is a 10-year demonstration program that combines tenant-based rental assistance with housing counseling to help low-income families move to low-poverty neighborhoods.

- **Neighborhood Networks.** Neighborhood Networks is a HUD initiative that encourages the development of community-based resource and computer learning centers in privately owned, HUD-insured and -assisted housing.

- **Section 3.** Section 3 of the Housing and Urban Development Act of 1968 requires employment and other economic opportunities generated by HUD funding for housing and community development projects to be directed towards residents of low-income communities.

- **Step-Up.** Step-Up offers PHAs a programmatic framework to use in providing low-income individuals with skills training and a year of pre-apprenticeship on-the-job-training, thereby allowing residents to "step up" into registered apprenticeships.

- **Tenant Opportunity Program (TOP).** The Tenant Opportunity Program seeks to strengthen resident organizations and increase resident self-sufficiency by providing grants for organizational development, self-sufficiency activities, and conflict resolution.

- **Youth Apprenticeship Program (YAP).** On a demonstration basis, HUD funded eight PHAs to provide young residents of public and assisted housing with skills training, paid job experience, and ultimately job placement

- **Youthbuild.** The Youthbuild initiative provides funding for education and on-the-job-training for 16- to 24-year-old public housing residents who have dropped out of school.

- **Drug Elimination Grant**. The Drug Elimination Grant Program is not a welfare-to-work initiative per se, but a program designed to help PHAs address problems of drug abuse and crime in public housing developments.

While there is broad agreement on the need for integrated self-sufficiency programs, critical questions remain about their proper form, scope, and target population. The need to answer these questions has become even more pressing under the new welfare environment. PRWORA has resulted in 50 different structures for the provision of welfare assistance, each of which could have a different effect on the incomes and the potential for self-sufficiency of HUD-assisted households. Many of the HUD employment and training programs were designed before the passage of PRWORA and may need to be adjusted to respond to the new time-limited welfare system.

While HUD's efforts at helping families in public and assisted housing have a long history, many of its programs have not been examined in light of recent research on the effectiveness of various welfare-to-work strategies. The research on job retention and self-sufficiency is incomplete, however, it suggests that certain strategies and components are more promising than others. The transformation of the welfare system presents HUD with an important opportunity to conduct a preliminary assessment of its programs.

For Task 4 of this contract, ICF and The Lewin Group compiled a summary of the research on the components of employment and training programs that have attempted to help recipients remain in jobs and advance in the labor market. This literature will provide a framework for identifying and evaluating activities used by PHAs and property managers to help residents achieve self-sufficiency in the new welfare environment. The report is organized as follows:

- Section II begins by addressing patterns of welfare receipt. It then focuses on the constellation of services that recipients in HUD-assisted housing will likely need.

- Section III summarizes the evaluation literature. It begins with a discussion of the principal components of employment and training programs, followed by a review of the literature on barriers to employment. This section also explores what is known about strategies to help "make work pay" and the types of transitional supports some welfare recipients will need to help enter the labor market. In each area, it summarizes the best available empirical evidence regarding the effectiveness of various program strategies.

- Section IV outlines the three parts of the Assessment Plan. (1) The Assessment Framework, which lays out the programs and services discussed in Section III, briefly reviews the evaluation findings, and notes whether HUD programs offer the services; (2) the HUD Program Framework, which explores the extent to which the Department's programs address components in the four service categories; and, (3) the research questions.

- Section V is the bibliography.

- The appendices include HUD program profiles and summaries of program evaluations.

II. WHAT SERVICES WILL HUD CLIENTS NEED?

The types of services that public housing and Section 8 residents will need to become self-sufficient will depend on the characteristics of the population. This task is all the more difficult when the diversity of the welfare population is taken into account. Residents in Chicago may differ both in observable and unobservable ways from residents in Rochester or Seattle. The heterogeneity of the welfare population, as well as subsidized housing residents, makes planning programs at the national level difficult.

Our understanding of the characteristics of the welfare population and of interventions to help them become self-sufficient is based on research conducted prior to the passage of PRWORA. The behavior of welfare recipients may change in many ways as a result of welfare reform. For example, the presence of time limits might encourage women to retain jobs that they might have otherwise quit. Some women will be diverted from applying for assistance. The caseload will change, as women with higher skill levels leave welfare for work while more disadvantaged women remain.

A. THE AFDC CASELOAD.

LaDonna Pavetti's analysis of the National Longitudinal Survey of Youth (NLSY) found that first-time Aid to Families with Dependent Children (AFDC) recipients were relatively evenly

distributed between: high school graduates and high school dropouts; women younger than 24 and those who are older; and white and non-white women. Never-married women outnumber divorced and separated women by a margin of six to four. Most had prior work experience.

Pavetti also found that exits from welfare were common. About 56 percent of women left within 12 months of going on welfare. It is important to note, however, that these estimates were for women who *ever* received welfare (as opposed to those who were currently on the rolls). When women who *currently received* support were examined separately, a different portrait emerged. Almost 90 percent were expected to spend more than two years on welfare, and 76 percent to exceed the five-year time limit (Pavetti, 1996).[2] The characteristics of long-term recipients included lack of a high school diploma and recent work experience, and low basic skill levels. One survey, for example, found that one-third of welfare recipients tested in the lowest quintile for prose literacy.

Women who left welfare for work were employed primarily in entry-level jobs with low wages, few fringe benefits, and high turnover. Not surprisingly, these work-related welfare exits tended to be short-lived. Almost half (45 percent) of women who left welfare for work returned within one year of exiting.

Sustaining a job and moving toward self-sufficiency is complicated further by the fact that many welfare recipients face at least one barrier to employment, such as child care, transportation, or substance abuse. A study of welfare recipients in one urban county found that the probability of working 20 or more hours per week declined as the number of barriers rose, from 70 percent of women with one barrier to 36 percent of those with four to six (out of 14) barriers.

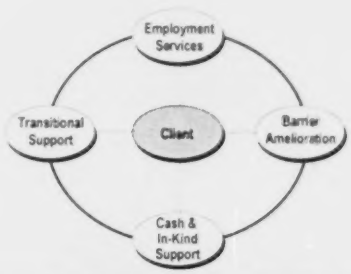
B. THE SERVICE CHALLENGE.

Reviewing the research on effective programs and strategies led us to conclude that welfare recipients, many of whom reside in subsidized housing, will need an array of services. The difficulty in providing services is compounded by the fact that individuals will need different services at different points in time. Further, given the heterogeneity of the welfare population, targeting services appropriately and efficiently becomes a key issue. When assessing HUD's employment and training programs, these challenges should be kept in mind.

As we summarized the employment and training program evaluations and the constellation of services they offered, we began to conceptualize a way to organize our findings.

The "**Systems Approach**" represents a framework for thinking about employment and training services and self-sufficiency. The approach, depicted in **Figure 1**,

Figure 1



[2] The difference in exit rates between women who ever use welfare versus current recipients is largely due to the fact that the former group of recipients includes women who have been on welfare for 10 years and those who were on the rolls for just one month. The latter group—current recipients--is smaller, includes women who are in the midst of long-term spells, and, as time goes on, accumulates more long-term recipients.

illustrates the fact that at any given point in time, a client may need assistance in accessing one or more of the identified service clusters. Some needs will be more pressing than others. Some will require short-term, quick turnaround responses, while other needs must be addressed over a longer time frame. "Solutions" in one area may create needs in other areas. [3]

The elements of each service cluster are listed below.

- **Employment services** include pre-employment (assessment, education, job and skills training, job search), post-employment (support groups, ongoing case management) and re-employment services (job search, education, case management).

- **Barrier amelioration** focuses on both environmental barriers (child care and transportation) and personal barriers (substance abuse, mental health problems, lack of social support, and domestic violence).

- **Cash and in-kind supports** augment earned income and include earned income disregards, the Earned Income Tax Credit (EITC), child support, Food Stamps and other nutrition programs, transitional Medicaid, child health care programs, and housing assistance.

- **Transitional supports** address a range of workplace issues and include case management, life skills courses, support groups, and mentoring.

The breadth of services and public systems involved complicates the provision of services and increases the importance of creating linkages with other providers. Services and supports may be required from the welfare/human services system, the employment and training system, the health care system (including mental health and substance abuse services), the child welfare system, the transportation system, the education system (secondary, vocational, and post-secondary), and the housing system. In addition, access to some cash supports, such as the advance EITC, requires the involvement of the employer. This presents an additional challenge to those seeking to facilitate a systems response – helping welfare recipients access the supports they need across this diverse service system.

The goals of this assessment are (1) to determine whether, or to what degree, HUD employment and training programs address these service issues and (2) whether HUD programs incorporate elements of promising employment and training programs.

III. LITERATURE REVIEW

There are numerous studies and evaluations of welfare, human services, and employment and training programs.[3] However, the evaluations differ in terms of design, variables measured, and outcomes. Some evaluations simply rely on pre- and post-intervention surveys. Others employ a quasi-experimental design that generally compares a group that receives an intervention to a group that does not. For research purposes, evaluations that use an experimental design—one

[3] The material in this section is drawn largely from Fishman et al, *Job Retention and Advancement Among Welfare Recipients: Challenges and Opportunities*, U.S. Department of Health and Human Services, Administration for Children and Families, forth coming in December, 1998.

that randomly assigns people to a program or control group—are preferable. An experimental design ensures that random variations in the population under study will be distributed evenly between program and control groups. **Table B1** in ***Appendix B*** describes a number of employment and training programs, including the evaluation methodology.

In addition to evaluation issues, programs also differ in terms of the nature of participants. Some programs, such as New Chance, were voluntary; both program and control group participants volunteered to take part and were randomly assigned to a program or control group. Other programs, such as Oregon JOBS and Parents' Fair Share, were mandatory. Participants assigned to the program group were sanctioned if they did not take part in mandated activities. With mandatory program evaluations, it is important to keep in mind that the threat of a sanction may be the driving force behind any observed change in behavior, as opposed to specific program elements.

All of HUD's employment and training programs are voluntary. Thus, some may question whether evaluations of mandatory programs are applicable to an assessment of HUD's efforts. However, although HUD programs are voluntary, welfare recipients residing in public or assisted housing are operating in a "mandatory" environment. That is, time limits and work requirement established by PRWORA effectively make work mandatory. It is likely that the time limits will affect participants' behavior (e.g. they may be less likely to leave an initial job). It is equally likely that programs will be serving a more disadvantaged population than they have in the past, as those who may previously have been exempted from participation in employment and training programs will now have to participate.

However, because many of HUD's employment and training programs were created before welfare reform, it is difficult to predict how well these programs have responded to the new mandatory environment. While some program staff may perceive the situation as a gradual change to which their programs must eventually respond, others may perceive it as an urgent demand to which their programs must respond immediately.

With these caveats in mind, what follows is a summary of the major components of the employment and training and self-sufficiency programs that have been evaluated rigorously. This Section also includes a summary of the literature on barriers to employment, strategies to help make work pay, and transitional services that may help some welfare recipients establish a foothold in the workforce.

A. EMPLOYMENT AND TRAINING PROGRAMS.

Past research indicates that while some employment and training programs have placed participants in jobs, increased earnings, and reduced welfare benefits, even the successful programs have had difficulty sustaining these positive impacts over time.

While there have been many evaluations of programs that aim to get welfare participants employed, research on services that effectively increase job retention, advancement, and self-sufficiency is still in its infancy. Most of the literature that is available focuses on pre-employment services or identifying barriers to employment. Because of this focus, the data provide information on whether participants find jobs, how much they earn, welfare receipt (number of months and/or amount received), and, occasionally, whether they keep those jobs for

some period of time after treatment. It does not necessarily provide information on whether these programs *promote* self-sufficiency.

Traditionally, program success has been measured in terms of impacts on welfare receipt, increases in employment and earned income, and cost-effectiveness. Under Temporary Assistance for Needy Families (TANF) rules, simply finding a job will not be enough. Welfare recipients must find jobs that enable them not only to leave welfare but to remain off welfare as well. And, they must do so before they exhaust their welfare benefits.

Past research indicates that steady employment among welfare recipients is not common. Recent data from the Postemployment Services Demonstration (PESD) evaluation indicate that 25 percent of sample members lost their first job within three months, and almost 60 percent had lost their job within one year (Rangarajan, 1998). Data from Project Match, a voluntary, Chicago-based program aimed at helping participants achieve self-sufficiency, show similar rates of job loss: more than half lost their first job within six months (Wagner et al., 1998). Other research suggests that the first six months of employment are critical. If a worker can surmount this hurdle, the probability of remaining employed increases greatly (Rangarajan, Schochet, & Chu, 1998).

Employment and training programs implemented under TANF will have to address a number of decisions relating to program design, including what services to offer, when to offer those services, and whether services will be universal or targeted to select groups.

The literature offers some help in this regard. Generally, the review of evaluations indicates that there are a number of program components and strategies that have resulted in positive employment, earnings, and welfare receipt outcomes. The major components and strategies are discussed below. At the same time, however, these evaluations reveal that there is still a long way to go in terms of reducing welfare dependency and increasing self-sufficiency. Finally, as with any evaluation research, it is important to note that most programs contain a number of elements, and parsing out the influence of each variable on the impact is difficult, if not impossible. What follows are seven components of employment and training programs that have been evaluated. In addition, two over-arching frameworks for improving employment outcomes have been tested. The first focuses on rapid labor force attachment, the second on education and training prior to employment. These frameworks are summarized after the service component discussion.

1. Assessment.

Assessment can be a useful tool to determine if recipients face major barriers to employment, to target specific services, and to gauge employment skills and interests. In theory, a good assessment would enable case workers to determine at intake the particular blend of services each participant will need. Assessment could be repeated upon employment to identify any barriers that may prevent job retention, and after job loss in the context of finding a new job.

Assessment can help programs focus on those most in need of assistance. Research to date suggests that the most employable welfare participants (those new to welfare, with recent work history, and few barriers to employment) are unlikely to need or benefit from employment and

training interventions (Gueron & Pauly, 1991). Similarly, certain groups who find employment (those who are most employable or who are in relatively high-wage jobs or jobs with benefits) are more likely than others to remain employed (Rangarajan, Schochet, & Chu, 1998). To the extent that those who are likely to leave welfare or maintain employment on their own can be identified, states or program staff can conserve their resources by minimizing services to this group and concentrating on those who are less likely to leave welfare or sustain long-term employment without intervention. However, some barriers and service needs may be difficult to identify up front, including mental illness, basic skills deficiencies, substance abuse, or domestic abuse.

While assessment makes sense intuitively, there is little evaluation research to suggest that it can successfully identify who will benefit most from a particular service strategy. A substantial amount of research, however, has attempted to identify factors that correlate with welfare dependency or lack of employability. Based on this research, two methods of profiling welfare participants have been proposed: the first attempts to identify those least likely to become employed; the second attempts to identify those most likely to need job-related services. Neither has been evaluated.

- The first approach is based on the Worker Profiling and Reemployment Services (WPRS) system that each state has implemented, which identifies unemployment insurance recipients who are most likely to exhaust their benefits without finding employment. Those identified are then targeted to receive special re-employment services designed to shorten the length of time between jobs. Based on the statistical model used in the WPRS, researchers at the Upjohn Institute have developed a similar model, using information generally available at assessment,[4] for predicting at intake a welfare recipient's probability of becoming employed (Eberts, 1997). Based on this probability, states or programs could determine what service or services an individual recipient may need.

- The second approach, developed by researchers at Mathematica Policy Research (MPR), is based on data from the NLSY.[5] Using this data, the researchers developed a multivariate checklist that could be used by program staff to identify those who are mostly likely to need job retention services. By weighting certain client characteristics at the time of initial employment, program staff could determine who is at high risk for an adverse employment outcome (Rangarajan, Schochet, & Chu, 1998).

2. Job Search.

Traditionally, job search is a pre-employment or re-employment activity and is conducted either individually or as part of a job club or other group job search program. While the primary goal

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[4] Model characteristics include whether the applicant is a single parent, age, educational attainment, previous participation in employment and training activities, and employment history.

[5] Mathematica examined 1979 to 1994 NLSY survey data on women who began working while on AFDC or within three months of leaving AFDC and identified eight characteristics that could be used to target retention and advancement services. These characteristics include: being a teen mother, being employed less than half time in the year preceding initial employment, lacking a high school diploma or GED, having a preschool child, receiving less than $8.00 per hour (1997 dollars) as starting pay, receiving no fringe benefits on the job, lacking a driver's license, and having health limitations.

of job search is to get participants employed, job search and job search training can also be used to help participants find better jobs with higher wages.[6]

While job search is necessary to find any job, past research indicates that job search-only programs do not seem to help participants find jobs that will allow them to become self-sufficient. Programs that offer only job search have rarely led to significant impacts on wages or a reduction in welfare receipt (Gueron & Pauly, 1991; Plimpton & Nightingale, undated). Job search programs, offered alone or in combination with other services, however, have consistently increased employment rates.

- **Arkansas WORK** provided group job search assistance followed by individual job search assistance.[7] The program evaluation found an employment impact of almost 3 percentage points. In addition, the treatment group had higher monthly earnings over five years than did the control group, but these impacts were statistically significant in years one and three only (Greenberg & Schroeder, 1997; Plimpton & Nightingale, undated).

- **Project Match** provided job placement assistance, guided individual job search, resume creation, interview training, individualized job-readiness training (in addition to case management). Case managers recognized that at least for some participants, job turnover may be a positive, necessary step in attaining long-term employment and self-sufficiency. More than one-third of participants followed a steady employment path. The remaining two-thirds of participants, however, did not find steady employment during the five-year follow-up period. Forty percent of participants experienced unsteady employment patterns, characterized by cycling in and out of jobs and on and off welfare over time. The remaining participants, the low/no employment group, worked very little during the five-year follow-up period.

3. Work Experience and Subsidized Employment.

Work experience, also known as community work experience, workfare, or community service employment, provides a way for participants who have not been able to find a job to gain employment skills (and to meet TANF work participation requirements). Under these programs, recipients are generally required to work in return for their welfare benefits. Subsidized employment programs can help participants obtain employment skills that lead to eventual employment and may contribute to greater upward mobility.

Work experience combined with other training activities may hold promise.

- The **Baltimore, Maryland, Options** program combined work experience, on-the-job training, job search, basic skills education, and classroom training.[8] Compared to control group members, Options participants saw earnings gains that continued for five years after

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[6] Job search is an element of many mandatory programs, such as Parents' Fair Share, Oregon JOBS, Minnesota Family Investment Program, FTP, and PESD. Voluntary programs also utilized job search, including Minority Female Single Parent Demonstration, New Chance, and JTPA.

[7] Work experience (limited to 12 weeks, 20-30 hours per week) was also a component.

[8] Baltimore Options began in 1982 and targeted WIN-**mandatory** participants (mostly AFDC recipients with no children under age 6).

program completion. There was no data on wage rates, so it is not possible to know if higher earnings were due to higher wages or more hours worked. The results were largest for applicants who had a previous spell on AFDC, particularly those with low prior earnings. However, given that Options did not have large welfare impacts, these results suggest that the program's greatest success was in helping those who were already likely to become employed find better jobs (Gueron & Pauly, 1991).

Subsidized employment is similar to unpaid work experience except that participants are paid wages that are funded from diverted welfare payments. While work experience jobs are typically in the public sector, subsidized jobs are usually with private sector employers. Subsidized employment and supported work, unlike workfare or work experience, tend to provide a more intensive intervention and include support services in conjunction with the employment experience.

- **The AFDC Homemaker-Home Health Aide Demonstration,** which combined vocational training followed by subsidized employment, found that participants experienced increased earnings that were sustained four or five years after exiting the program (Bell, Burstein, & Orr, 1987; U.S. Department of Labor, 1995, both as cited in Strawn, 1998b).[9] These increases were due primarily to increases in hours worked, not better-paying jobs. Impacts on hourly wages were less consistent across sites (Gueron & Pauly, 1991).

- An evaluation of the **National Supported Work Demonstration** found that participants earned more than did control group members after program completion.[10] The National Supported Work Demonstration was a highly structured program that provided up to 18 months of subsidized employment along with other training and support services to more disadvantaged welfare recipients.[11] Earnings gains in the third year after beginning the program were 23 percent higher for participants compared to control group members (Gueron & Pauly, 1991). These impacts were sustained over time; by the sixth, seventh, and eighth years after completion, average annual earnings were about $1,000 higher than they would have been in the absence of any intervention (Couch, 1992, as cited in Plimpton & Nightingale, undated).

  In contrast to the Home Health Aide Demonstration, earnings gains were primarily due to higher hourly rates and more hours worked (Strawn, 1998b). This is especially significant given that the demonstration specifically targeted services to very disadvantaged, long-term recipients. In fact, research indicates that supported work had the greatest success with the hardest to serve recipients: those with no work history, who lacked a high school diploma or

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[9] The program operated from January 1983 through June 1986 in 7 sites. The program was **voluntary**, although intake workers did try to gauge AFDC subjects' potential (Greenberg & Shroeder, 1997).

[10] The demonstration operated from 1975 to 1980 in 12 sites. The program was **voluntary**. One target population was long-term AFDC recipients (on the rolls for 30 of the previous 36 months) without children under age 6. Other populations included former substance abusers, ex-offenders, and high school dropouts (Greenberg & Shroeder, 1997).

[11] A key feature of the National Supported Work Demonstration was gradual skill development so that, over time, participants worked their way up to regular work activities. Supported work also identified labor market niches that had not been filled and jobs with good wages.

GED, or were long-term welfare recipients (U.S. Department of Labor, 1995, as cited in Strawn, 1998b).

4. On-the-job Training.

On-the-job training (OJT) is employer-provided, subsidized training in the workplace. Unlike subsidized employment, it is generally available to both welfare and non-welfare participants who are working in unsubsidized jobs that they usually retain after training is completed. OJT is funded through employment and training funds (not through diverted welfare payments) or by employers.

Research indicates that OJT has consistently produced significant increases in earnings for participants.[12]

- The evaluation of the **Job Training Partnership Act (JTPA)**,[13] found that welfare recipients assigned to receive OJT and/or job search had greater earnings than the control group (Orr et al., 1996, as cited in Strawn, 1998b; Plimpton & Nightingale, undated; GAO, 1996). Results for other subgroups that might be eligible for HUD programs were less clear. Adult males had earnings that were significantly greater than the control group for years 1 through 3, although employment rates were only significantly greater in year 4. There were no statistically significant differences in employment rates or earnings between male or female youth participants and youth controls (Greenberg & Shroeder, 1997).

- The **Maine Training Opportunities in the Private Sector (TOPS)** program also resulted in significant earnings impacts for participants when compared to the control group.[14] The experimental group averaged earnings that were 31 percent higher than those of the control group ($7,344 vs. $5,599 in 1995 dollars). Positive impacts were sustained over the entire follow-up period (Greenberg & Shroeder, 1997).

- The earnings increases for welfare recipients in the JTPA evaluation and the Maine program were due to a combination of higher wages and more hours worked. In other words, part of the earnings differential was due to participants finding better jobs than did non-participants.

5. Vocational Training.

Vocational training programs, which train participants for specific careers, provide another avenue for welfare recipients to obtain skills that may lead to higher quality jobs. Participants generally complete some combination of education and on-the-job training to gain the requisite skills for their chosen career. Job placement following training may or may not be part of the program. For the most part, because welfare recipients tend to have low skill levels, vocational training has focused on careers that do not require high skill levels.

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[12] It should be noted that OJT operated on a small scale and served only a narrow slice of the welfare population.

[13] JTPA was a **voluntary** program that was conducted in 16 sites between 1987 and 1989.

[14] Maine TOPS was a **voluntary** program that targeted unemployed women on AFDC. Women had to apply. Applicants were randomly assigned to experimental and control groups. Many women were screened out of the program (e.g. those with child care, transportation, health, and other barriers).

Research indicates that some of these programs have had modest success in helping participants obtain higher wages or work more hours than they may have in the absence of the training (Gueron & Pauly, 1991; Friedlander & Burtless, 1995, as cited in Brown, 1997).

- One site from the **Minority Female Single Parent Demonstration (MFSPD)**, the Center for Employment Training (CET), had promising initial results. Thirty months after baseline interviews, the average monthly earnings were 45 percent higher among program participants than the control group.[15] Evaluators of the MFSPD attributed the positive findings at CET partly to the program design, which integrated job skills training with basic education. The program focused on training participants for occupations in demand, and the trainees were aggressively marketed to local employers.

Because the CET findings were initially so promising, a follow-up study was conducted five years after the baseline survey. While program group members still had average monthly earnings that were 17 percent higher than the control group ($667 vs. $572), [16] the rate of increase since the 30th month was faster among the control group (41 percent vs. 32 percent).[17] There were no statistically significant differences between the program and control groups in terms of average monthly hours of work, average monthly percent employed, percent ever employed, or average hourly earnings (Zambrowski & Gordon, 1993). A subgroup analysis found that the employment and earnings impacts were concentrated among women who had 12 or more years of education at the beginning of the program.

6. Basic Skills Training.

According to 1995 AFDC Quality Control data, almost half of all welfare parents lack a high school diploma or GED. A large body of research demonstrates that individuals with the lowest basic skills are the least likely to become employed or work steadily. Thus, it seems logical to conclude that providing welfare recipients with basic education will increase their ability to obtain and retain employment. The bulk of the research, however, does not support this conclusion.

A 1996 review of research on basic education programs for welfare recipients found that fewer than half of the programs increased participants' employment or earnings. When earnings did increase, it was usually due to increases in the number of hours worked, not higher paying jobs (Pauly, 1996, as cited in Strawn, 1998b). More recently, however, evidence from the **Greater Avenues for Independence (GAIN)** program evaluation indicates that in two sites in which the

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[15] The MFSPD was **voluntary**. Two other MFSPD sites (Atlanta and Providence) had no effect on employment or earnings. A fourth site, in Washington, D.C., had modest gains in employment, but because the findings were inconsistent over time, the reliability of the results was questioned. Unlike CET, these three sites took a more traditional approach that focused on basic education followed by job training.

[16] Statistically significant at the 90% confidence level.

[17] About 60% of the control group found education and training services on their own, either through the new Greater Avenues for Independence program (GAIN) or other sources.

focus was on basic education, participants did experience impacts on average earnings over five years (Strawn, 1998b).[18]

Most basic education programs do not greatly improve educational attainment. Few of the programs improve participants' scores on tests of basic skills.

- The **Even Start Family Literacy Program** was a two-generation approach to increasing basic skills.[19] Both parents and children were targeted. Program elements for parents included adult basic education, English as a Second Language, and GED preparation. Adults in both the experimental and control groups showed significant gains in literacy, but there was no difference between the groups. The experimental group was significantly more likely to obtain a GED than was the control group (22.4 percent vs. 5.7 percent), but there were no differences between the groups in terms of financial resources, income, or employment status (Greenberg & Shroeder, 1997).

- Another program that focused on parents and children, the **Comprehensive Child Development Program (CCDP)**, included parenting education and literacy education.[20] The evaluation found no statistically significant differences between the experimental and control groups in terms of basic skills, employment, income, or economic self-sufficiency (St. Pierre et al., 1998).

- The **New Chance** program targeted young, unmarried mothers who were high school dropouts.[21] Obtaining a GED or high school diploma was a central component of the first stage of the program. The experimental group was significantly more likely to obtain a GED than was the control group (45.2 percent vs. 33.4 percent). The program had no impact, however, on basic skill levels, AFDC receipt, or employment (Quint, Bos, & Polit, 1997).

National data indicate that aside from receiving an additional "credential," GED receipt might not even distinguish a recipient from a high school dropout (Cameron & Heckman, 1993). Cameron and Heckman examined the differences in labor market outcomes between females who received a high school diploma and those who got a GED certificate. Using NLSY data on females ages 25 and 28 they found statistically significant differences between GED recipients with 11 years of education and dropouts with similar educational levels. However, these differences were insignificant when post-secondary attainment and cognitive ability were controlled for (Cameron, 1994, as cited in Boesel et al., 1998).

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[18] GAIN operated in six California counties between 1988 and 1990. It was a **mandatory** program. It should be noted that in one of the two sites with positive impacts, Butte County, participants also received intensive case management. It is impossible to distinguish the impacts of basic education from those of case management in this site.

[19] Even Start was **voluntary**, and operated from 1991 to 1994. The target population was low-income families.

[20] Other CCDP services included bi-weekly case management, employment counseling, job and vocational training, and referrals to support services. The program was **voluntary**.

[21] New Chance targeted unmarried females ages 16 to 22 who had their first child as a teenager and were high school dropouts. The program operated in 10 sites between 1989 and 1992 and was **voluntary**.

7. Post-secondary Education.

Research suggests that attaining a post-secondary credential has a positive effect on an individual's ability to advance to a better-paying job: those with a college education earn considerably more than individuals who have not attended college. Analysis of data from the NLSY indicate that women's hourly earnings increase by 19 percent to 23 percent when they obtain an associate's degree and by 28 percent to 33 percent when they obtain a bachelor's degree (Kane & Rouse, as cited in Cohen, 1998).

Under TANF, post-secondary education as a pre- or post-employment service becomes less feasible. Post-secondary education directly related to employment cannot count towards the first 20 hours of participation unless the participant is a teen parent. Non-vocational post-secondary education does not count at all towards the participation requirements.

Post-secondary education can be combined with work requirements. However, there is little research to suggest that post-secondary education for welfare recipients, when offered as part of an employment and training program, results in positive employment and earnings outcomes. This may be due at least in part to the fact that these services are offered to a small portion of the caseload (Plimpton & Nightingale, undated).

8. The Framework: Employment-Focused versus Education and Training-Focused Strategies.

Much of the research regarding employment services focuses on the preferred strategy for providing those services – an employment-focused strategy versus an education and training-focused approach.[22] Proponents of the employment-focused strategy argue that the best way to obtain job skills is on the job. Proponents of education and training-based approaches argue that the long-term gains in earning power of education and training-focused participants will far exceed those of employment-focused participants, thus justifying the substantial up-front investment required for education and training-focused programs. In the current TANF environment, with time limits and work requirements, the debate over employment-focused versus education and training-focused programs may be moot. It is likely that most states will, out of necessity, initially implement employment-focused programs.

- **Employment-focused programs** range from minimal, job-search only programs to mixed-strategy programs, in which other services, such as short-term education and training, may be provided. In keeping with the philosophy of these programs, the focus of each element, including any education and training that may be provided, is on getting clients into the workforce as quickly as possible.

- **Education and training-focused programs**, on the other hand, are designed to improve present and future employability by improving basic skills and providing training and

[22] The following discussion generally concerns two models of the Federally sponsored Job Opportunities and Basic Skills Training Programs (JOBS), operated in conjunction with AFDC from 1988 through 1996, which was **mandatory**. They are often referred to as the "labor force attachment" model and the "human capital development" model.

education that increase employment skills. Participants typically undergo a thorough up-front assessment to determine service needs and create an employment development plan. They are then assigned to various service components, such as basic skills training, vocational training, or higher education, based on their individual needs and career goals. These types of programs are also more likely to incorporate community work experience and workfare-type components. Clients are encouraged to be selective and choose a job that fits with their long-term goals.

For those who are not likely to leave welfare on their own, studies of employment-focused programs indicate that they can moderately increase employment and earnings and reduce welfare payments. Research indicates that employment-focused strategies have been successful in getting welfare recipients employed. Compared to control groups, participants in employment-focused programs have significantly higher levels of earned income and lower utilization of welfare benefits two or more years after participating in the program. This is especially true of participants in "mixed strategy" programs. Evaluations of job search-only programs tended to show smaller impacts (Friedlander & Burtless, 1995; Plimpton & Nightingale, undated).

These evaluations also indicate that all subgroups experienced gains in employment and earnings, and reductions in welfare. However, while employment-focused programs do produce employment and welfare impacts for more disadvantaged recipients, they are generally not as large as those for less disadvantaged recipients (U.S. Department of Health and Human Services & U.S. Department of Education, 1997).

The literature suggests that employment-focused programs may not help welfare recipients escape poverty. Even those programs that have successfully increased employment and earnings and reduced welfare payments do not lift families out of poverty. For example, a recent evaluation of a mixed-strategy employment-focused program in **Portland** (which has shown some of the largest impacts of any employment-focused program to date) found earnings gains of about $1,800 over two years (Scrivener et al., 1998). While these gains are substantial, they are generally not large enough to escape poverty.

Research on education and training-focused programs has been inconsistent. A recent analysis of the two-year impacts of education and training-focused JOBS programs in Riverside,[23] Atlanta, and Grand Rapids found mixed results for different subgroups of participants. Overall, the Atlanta and Grand Rapids programs produced significant positive impacts on AFDC receipt and delayed (second year) impacts on earnings and employment[24].

Subgroup analysis indicates that employment and earnings impacts are fairly strong for participants with a GED or high school diploma. Yet, for those lacking these credentials, statistically significant increases in earnings or employment are generally quite small and often non-existent. Those without a diploma or GED certificate in Grand Rapids and Riverside

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[23] Riverside, unlike Atlanta and Grand Rapids, limited its employment and training-focused program to participants without a high school diploma or GED only. Overall findings for the three sites cannot be accurately compared. As a result Riverside findings are only discussed in subgroup analysis.

[24] Impacts were, *generally*, significant in the second year of follow-up but not in the first.

experienced small impacts on the percent ever employed and the quarterly employment rate.[25] For this subgroup, only participants in Grand Rapids experienced significant earnings impacts while all three sites had significant impacts on AFDC receipt (for one year in Atlanta and both years in Grand Rapids and Riverside). For those with a diploma or GED certificate, employment, earnings, and AFDC impacts were significant for virtually every year of follow-up (U.S. Department of Health and Human Services & U.S. Department of Education, 1997).

There is some evidence that impacts for education and training-focused program participants may increase in the long run. From year one to year two in the Atlanta and Grand Rapids JOBS demonstrations, the percent of participants with a high school diploma or GED who were ever employed grew, their earnings increased, and AFDC receipt decreased.[26] The findings were similar for those without a high school diploma or GED (U.S. Department of Health and Human Services & U.S. Department of Education, 1997). It should be noted, however, that after two years, the earnings gains were still smaller than those achieved by employment-focused programs. These findings are similar to those from other evaluations, such as the evaluation of the GAIN program sites in California that emphasized education and training (Riccio et al., 1994; Plimpton & Nightingale, undated). Some theorize that these results are due, at least in part, to the short two year follow-up period.

For both employment-focused and education- and training-focused programs, earnings impacts are often attributable to higher rates of employment, not to better-paying jobs. In both the Grand Rapids and Riverside County sites, there was no evidence that earnings impacts for employment-focused participants were attributable to participants finding better jobs (i.e., receiving higher hourly wages) than control group members (U.S. Department of Health and Human Services & U.S. Department of Education, 1997). Evaluations of education and training-focused programs have come to a similar conclusion: in those programs in which there were significant impacts on earnings, they were generally due to higher employment rates, not higher wages (Strawn, 1998b).

9. Conclusions.

- Generally, these findings indicate that, while there are a number of services and strategies that have resulted in positive employment, earnings, and welfare receipt outcomes, there is still a long way to go toward lifting families out of poverty.

- Specific service components appear to successfully increase employment and earnings and reduce welfare payments and may have positive impacts on job retention and advancement. On-the-job training and supported work often resulted in positive employment and earnings outcomes and reductions in welfare receipt. In addition, supported work programs are often targeted to, and produce strong impacts for more disadvantaged participants. Participants in both types of programs generally have higher hourly wages and were likely to sustain

[25] Atlanta participants experienced no significant increases in employment.

[26] Although the control group members also saw gains in earnings and reductions in welfare, the year to year change for the program groups were more pronounced and the differences with the control group were statistically significant.

employment and earnings impacts over time, which suggests that these programs could improve job retention and advancement.

- Results are mixed for other service components. Work experience programs, while they may provide participants with important employment skills, are less likely to impact participants' long-term prospects. Programs such as Baltimore Options, that combine work experience with other services, may be more likely to sustain impacts and help participants find "good" jobs. However, these impacts may be concentrated among the moderately disadvantaged. Vocational training programs provide participants with important job skills that enable them to find jobs, sometimes "good" jobs.

- Establishing links with the employer community may be key to helping participants obtain high-quality jobs. The success of the CET program suggests that successful programs will need to establish links with the employer community to ensure participants are being trained for jobs in demand.

- Strategies that profile TANF participants so that appropriate services can be targeted hold some promise, but have not been tested so we do not know whether they will have positive impacts on job retention and advancement. Some profiling approaches that warrant further testing are those suggested by researchers at the Upjohn Institute and Mathematica Policy Research.

B. BARRIERS TO EMPLOYMENT.

In addition to low levels of education and lack of work experience, the employment prospects of many women on welfare are additionally limited by a number of personal and health problems.

Starting in 1997, the Women's Employment Study (WES) tracked a random sample of 753 single mothers on welfare in an urban Michigan county to determine the prevalence of barriers to employment.[27] The study measured education, work experience, job skills, workplace norms, as well as the prevalence of mental health, substance abuse, and physical health problems, and domestic violence (Danziger et al., 1998).

As the first two columns in **Table 1** indicate, the welfare recipients in the WES were more likely to experience a barrier to employment than were women in the general population.[28]

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[27] Individuals exempted from Michigan's work requirement, as well as women under age 18 or over 55, were excluded from the study. This might underestimate the prevalence of barriers to employment.

[28] Barrier measurement: For depression and substance abuse, diagnostic screening batteries for 12-month prevalence using the Composite International Diagnostic Interview; for physical health, recipients asked questions from the SF-36 Health Survey; for domestic violence, Conflict Tactics Scale. Note: substance and alcohol abuse rates may be under-reported, since they are considerably lower than rates found in other studies of welfare recipients in national samples (see, for example, Jayakody, Danziger, & Pollack, 1998 as cited in Danziger et al., 1998).

TABLE 1
BARRIERS TO EMPLOYMENT

Barrier	%WES with barrier	% National pop. with barrier	WES working 20 hrs./wk., with barrier	WES working 20 hrs./wk., no barrier
No car/license	47.3%	---	**46.7%	58.5%
Depression	26.7%	12.9%	46.5%	60.7%
Alcohol dependence	2.7%	3.7%	**70.0%	56.5%
Drug dependence	3.3%	1.9%	*40.0%	57.5%
Health problem: mother	19.4%	---	**37.0%	61.7%
Health problem: child	22.4%	---	**47.5%	60.1%
Domestic violence	14.9%	3.3%	55.4%	57.1%

* Difference between columns 3 and 4 significant at the 0.10 level
**Difference between columns 3 and 4 significant at the 0.05 level.
Source: Danziger et al. (1988).

The third and fourth columns of **Table 1** indicate how the proportion of welfare recipients working 20 hours per week differs by presence of a barrier. For example, women with a car or license are about 25 percent more likely to work 20 hours per week than are women with no car or license. Women without health problems are 67 percent more likely to work than are women with health problems.

When multiple barriers are present, the probability of employment declines further. Danziger and her colleagues used data from the WES to determine the probability that a woman would work at least 20 hours per week by number of barriers. As expected, the probability of working declines as the number of barriers rises (see **Table 2**).

TABLE 2
EMPLOYMENT PROBABILITIES BY NUMBER OF BARRIERS

Number of barriers	Probability of Working 20+ Hours/Week*
0	78.2%
1	70.2%
2-3	56.4%
4-6	36.1%
7+	4.7%

*For these estimates, the authors narrowed the WES data to respondents who were African American, living in an urban census tract, ages 25 to 34, and has a child under age two.

Importance of identifying barriers. Left untreated, barriers can affect employment. Depression, for example, may interfere with work and compliance with PRWORA requirements, leading to benefit termination. Most states do not systematically assess barriers to employment (Danziger et al., 1998). Assessing personal and environmental barriers to employment and determining

strategies to address them will likely become more important in the years to come as the most job-ready recipients exit welfare and leave behind those with numerous barriers. Thus far, however, there is little systematic research on effective policies or programs to ameliorate various barriers.

1. Child Care.

For many welfare mothers, problems surrounding child care include:

- **Availability and Accessibility:** The GAO estimated that the current supply of infant care meets between 16 percent and 67 percent of demand (Waller, 1997). In a 1995 survey of child care providers in Chicago, 8 percent of providers indicated that they would consider offering evening care, and only 3 percent would consider weekend care (Blank et al., 1998).

- **Quality:** Quality child care is, for many families, difficult to find. According to a 1995 survey, six out of seven child care centers provide care that is mediocre to poor (Blank et al., 1998).

- **Type of Care:** Related to both availability and quality is the type of care. MPR's analysis of the NLSY found that women who relied on center-based or other non-relative care were more likely to sustain employment than were women who relied on relatives for child care (Rangarajan, Schochet, & Chu, 1998).

- **Affordability:** According to the Census Bureau, poor families (earning less than $14,400 per year) spend an average of 25 percent of their income on child care (Blank et al., 1998). A survey that assessed child care needs in three metropolitan areas indicated that about 40 percent of the non-working mothers cited child care costs as the reason they were not working (Kisker, Maynard, & Gordon as cited in Kisker & Ross, 1997).[29]

2. Transportation.

As with child care issues, transportation problems have proven to be a barrier to employment. Transportation problems include:

- **Spatial Mismatch**: A large proportion of entry-level jobs in the retail and service sectors are located in the suburbs, while many welfare recipients live in the inner cities. A 1998 study of Boston's welfare population found that while 98 percent of them lived within one-quarter mile of a bus route or transit station, only 32 percent of employers in high-growth areas that offered entry-level opportunities were within one-quarter of a mile of public transit (GAO, 1998). And, due to the fact that only about 6.5 percent of welfare recipients have a car, most rely on public transportation to reach current or potential employers (GAO, 1998).

[29] It is assumed that women surveyed could give multiple reasons for not working or changing jobs and hours worked.

- **No Public Transportation**: In 1995, for example, the National Transit Resource Center found that about 60 million Americans in rural areas were not served, or were under-served, by public transportation (GAO, 1998).

- **Unavailability of Transportation during Non-Standard Hours**: Other women experience problems because they work during non-standard hours, when public transportation runs irregularly, if at all.[30] In addition, single mothers often must find reliable methods of transportation to first get to child care centers, and then to work.

- **Difficult Commutes**: One study, for example, found that even with an 80-minute commute, residents in Cleveland neighborhoods with high concentrations of welfare recipients could reach only about 44 percent of entry-level job openings via public transportation (Leete & Bania, as cited in Coulton, Leete, & Bania, 1997).

3. Lack of Social Support.

Work can cause many disruptions to family life. Working mothers see less of their children. Often the men in their lives dislike their financial independence (Rangarajan, 1998).

- Research indicates that individuals with inadequate support systems have a higher incidence of depression, are more vulnerable to physical and psychological forms of stress, and suffer more psychological and physiological strain following job loss (Moroney, as cited in Pavetti et al., 1997).

4. Domestic Violence.

Women who experience domestic abuse are more likely to suffer physical and emotional problems that can have serious effects on their employability. Personal injuries can prevent victims from attending a training program, educational class, or work. In addition, the emotional effects that result from domestic abuse can cause absenteeism and can influence mental functioning and productivity.

- A Taylor Institute report summarized several programs that documented the relationship between welfare receipt and domestic violence. It indicated that in the four sites studied,[31] the number of participants who were experiencing current abuse ranged from 14.6 percent to 32.0 percent of the sample.

- The number of recipients who were ever abused ranged from 33.8 percent to 64.9 percent of the samples in each site (Raphael & Tolman, 1997).

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[30] A study of low-educated, working mothers ages 18 to 34 found that more than four in ten worked evenings, nights, or weekends when child care can be difficult to secure. The most likely to work non-standard hours were cashiers (39.5%), nurse aides (41.4%), and waitresses (49.2%). When asked why they worked non-standard hours, the most common response, "requirement of the job," was given by 37% (Presser & Cox, 1997).

[31] The four sites are (1) Passaic County, New Jersey; (2) The welfare caseload in Massachusetts; (3) Worcester, Massachusetts; and (4) Chicago, Illinois.

- Over half of women surveyed in domestic violence shelters reported that they had missed work as a consequence of abuse, while almost 25 percent reported that they lost a job due, in part, to domestic violence (Shepard & Pence, as cited in Johnson & Meckstroth, 1998).

5. Mental Health.

Mental health problems can have serious implications for day-to-day functioning as well as job performance. Depression, for example, can affect concentration, energy level, and general interest in life. A worker suffering from depression is likely to be less productive at work, which can lead to lost opportunities for advancement or outright job loss.

- Some evaluations of welfare demonstration projects collected data on mental illnesses. For example, almost 30 percent of young mothers in the New Chance program were at high risk of clinical depression, while 22.5 percent were at some risk of depression (Olson & Pavetti, 1997).

- Recipients with mental health problems are less likely to work than are recipients with no barriers. Danziger et al. (1998) found that approximately 25 percent fewer welfare recipients with depression worked 20 hours per week than did recipients without this barrier (46.5 percent vs. 60.7 percent).[32]

6. Substance Abuse.

Estimates of substance abuse among the welfare population also vary widely.

- According to the Department of Health and Human Services, between 10 percent and 20 percent of welfare recipients have a substance abuse problem, and 5 percent of recipients suffer from such severe cases of abuse that it substantially limits their day-to-day functioning (Strawn, 1998a).

- The National Household Survey on Drug Abuse (NHSDA) estimated that of AFDC recipients aged 18 to 44, 5.2 percent had significant alcohol or drug related impairment and 11.2 percent were somewhat impaired (compared to 2.6 percent and 9 percent, respectively, for non-recipients) (Kramer, 1998).

7. Conclusions

- Welfare recipients can face a variety of barriers that may inhibit their ability to find employment, retain a job, or advance in the workforce. The barriers often vary in scope and severity, and while many recipients with these barriers (environmental or personal) are able to work, they often have difficulty working continuously (Kramer, 1998). The presence of multiple barriers has proven especially limiting for welfare recipients.

- Identification of these barriers, either during assessment, life skills training, or ongoing case management, is important in helping women make the transition from welfare to work.

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[32] Difference is statistically significant at the 0.05 level.

Referrals can help welfare recipients overcome serious employment barriers. Most program staff and case managers do not have the skills necessary to address serious issues such as drug abuse. Thus, they must enlist the help of community resources including: mental health services, substance abuse treatment centers, child protective services, women's self-help centers, counseling, and legal aid. In some cases, recipients may need encouragement in applying for other forms of public assistance if their physical or mental state warrants such intervention.

While recognizing barriers is important, we have not identified any empirical research on how best to ameliorate these barriers in order to help welfare recipients sustain employment.

C. CASH AND IN-KIND SUPPORTS.

In the pre-TANF environment, policies to "make work pay," such as the Earned Income Tax Credit (EITC) were discussed in terms of making employment more attractive than welfare. Today, choosing between welfare and work is not an option. Policies such as the EITC serve a different role: helping women to provide an adequate standard of living for their families and move toward self-sufficiency.

There are a number of policies that can help working families move out of poverty.

1. Earned Income Tax Credit.

Numerous studies indicate that the Earned Income Tax Credit (EITC) encourages work. According to one study, the EITC lifted more children out of poverty than any other government program or category of programs. Greenstein and Shapiro (1998) determined that the number of single mothers who worked grew substantially between 1984 and 1996, and that half of this increase resulted from the EITC program and its expansion during this period. In 1996, according to the Center on Budget and Policy Priorities (CBPP), the EITC lifted 4.6 million people in low-income working families out of poverty. In 1997, over 19 million workers received credits totaling $28 billion (Center on Budget and Policy Priorities, 1998).

2. Food Programs.

Many working families are eligible for federal food assistance programs such as the Food Stamp Program (FSP), the National School Lunch Program, and Supplemental Feeding Program for Women, Infants, and Children (WIC). These programs can help low-wage workers attain basic needs until their incomes rise to levels that ensure self-sufficiency.

However, there is concern that eligible working poor families are not participating in food programs. For example, historically, fewer than half of eligible households with earnings chooses to participate in the Food Stamp Program (U.S. Department of Agriculture, 1997).

3. Child Support.

Child support payments represent another potential source of income for working single parents. However, in 1993, only half of those with support awards in place received the full amount, about one-quarter received partial payment, and the remainder received nothing. Of those who

received payments in 1993, divorced women received an average annual payment of $3,632, while never-married mothers received an average payment of $1,738 (U.S. House of Representatives, 1998).

Many fathers of children on welfare, however, have low incomes themselves, and thus will have difficulty paying child support and will have low orders. Employment and training programs could increase non-custodial parents' income, thus increase child support.[33]

- For example, **Parents' Fair Share** (PFS) offers low-skilled and low-income non-custodial parents employment and training, peer support, and mediation.[34] The 18-month program evaluation by MDRC, however, found only modest results: child support payments across all seven sites increased by up to 7.5 percentage points. Despite the increase in payments, no site reported increases in employment and earnings among the fathers (Doolittle et al., 1998).

- Another demonstration program used child support orders as a tool for enrolling welfare recipients. **New York State's Child Assistance Program (CAP)** began in 1988 in three counties.[35] An evaluation of CAP by Abt Associates (Hamilton et al., 1996) found that the treatment group had more child support orders established than did the control group. In the average month during the five-year study period, the treatment group had 21 percent more new awards than the control group. This translated into a 4.3 percent difference in total awards established by the end of the evaluation.[36] However, there was no statistically significant difference in total support collections between the CAP group and control group.

4. Earned Income Disregard.

Disregarding (or not counting) a portion of earned income can serve two purposes. It can encourage welfare recipients to work by allowing them to keep more of their earnings in addition to their welfare grants, thus increasing total income. It can also supplement the income of those who work in low-wage jobs (Cohen, 1997). It is an attractive policy, since welfare recipients can gain work experience without losing their safety net, and possibly gain skills that might help secure a higher paying job in the future. However, the earned income disregard could potentially

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[33] The Department of Labor's welfare-to-work grants can be used to develop education and training programs for non-custodial fathers.

[34] Child Support Enforcement (CSE) agency staff in eight sites around the country review their caseloads for fathers who meet the following program criteria: they are behind on support payments, unemployed or underemployed, and linked to a family on public assistance. Those deemed eligible are contacted and referred to the program. If they accept the offer to participate and remain involved in the program, their monthly child support obligations are reduced dramatically, sometimes to zero, while they receive training. If they do not participate or leave the program, they face two options: find work or go to jail (Doolittle & Lynn, 1998).

[35] Monroe (Rochester), Niagara (Niagara Falls), and Suffolk (Long Island). CAP was voluntary, and enticed AFDC recipients to participate by offering them a generous earned income disregard ($0.90 per dollar for the first several hundred dollars and $0.33 per dollar thereafter) and individualized case management. To participate, a welfare recipient had to have at least one child covered by a child support order. Her welfare base grant was increased for each additional child with a support order. The CAP base grant was generally about one-third lower than the AFDC grant for a like-size family, so that CAP participants were encouraged to increase their work efforts.

[36] This difference is statistically significant at the 5% level.

increase a woman's time on welfare, thus putting her at risk of exhausting the five-year time limit.

Recent evaluations have shown promising results, although it is difficult to determine how much of an increase in work or earnings is due to the disregard versus other policy changes.

- The **Minnesota's Family Investment Program**, for example, includes a 38 percent disregard of earnings as well as a 20 percent increase in the base TANF grant for workers. An evaluation by MDRC found that employment and earnings increased substantially, and that the positive impact for some groups was due largely to the program's financial incentives (Miller et al., 1997).[37]

- The **Child Assistance Program** included an earned income disregard of 90 percent up to the poverty level and 33 percent thereafter. The two-year follow-up found that the average earnings of the experimental group were 27 percent higher than those of the control group. Evaluators believe the five-year impact study will reveal similar results (Greenberg & Shroeder, 1997).

- **Canada's Self-Sufficiency Project** (SSP) supplements the earnings of low-income workers who have left welfare. SSP provides a generous earnings supplement to single-parent families who received welfare benefits for at least one year but left to take full-time jobs. SSP effectively doubles the income of participants who work 30 or more hours per week in jobs that pay up to $8.00 per hour. Five quarters after SSP was implemented, welfare recipients offered the earnings supplement were 46 percent more likely than were other welfare recipients to be working each month (41 percent vs. 28 percent) (Card, Robins, & Mijanovich, 1996).[38]

5. Other Financial Incentives

Programs have used other financial incentives to encourage work or other specified behaviors.

- The **Washington State Family Independence Program (FIP)**, for example, used financial bonuses to encourage work and training among a sample of AFDC recipients.[39] FIP's financial incentives included a dramatically different income support system (e.g. food stamps were cashed out), expanded child care, and transitional Medicaid and child care. The FIP evaluation showed that the treatment group was not more likely to participate in education or training than was the comparison group (which received traditional AFDC services and grants). Nor were there differences in employment and earning levels between the treatment and comparison groups (Greenberg & Shroeder, 1997).[40]

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[37] MFIP, in operation since 1994, is **mandatory**. The financial incentives were backed up with mandatory employment-focused activities. Non-participants had their monthly grants reduced 10%.
[38] SSP was operated from 1992 through 1995 and was **voluntary**.
[39] FIP operated between 1988 and 1993. The program was **voluntary**.
[40] The Child Assistance Program also cashed out Food Stamp benefits.

- The **Quantum Opportunity Program (QOP)** targeted high school-aged students from AFDC households.[41] To encourage high school graduation and post-secondary education, and to discourage teenage parenthood, QOP participants received stipends for participation and matched funds that were placed in an accrual account for later use. The experimental group was significantly more likely to graduate from high school than was the control group (64 percent vs. 42 percent); significantly more likely to go on to post-secondary education (42 percent vs. 16 percent); and, significantly less likely to have a child while in high school (24 percent vs. 38 percent) (Hahn, forthcoming).

6. Housing Subsidies.

Housing subsidies can increase the standard of living for a family that left welfare for work. Housing, like food, comprises a major portion of a low-wage worker's budget. This may leave workers with income to cover other expenses necessary for job retention, such as child care or transportation. A substantial minority (about 20 percent) of welfare recipients have housing subsidies (Acs et al., 1998). The subsidies, however, are a potential barrier to work because subsidies decline as tenants' incomes increase. Congress began to address the work disincentive through a number of appropriation bills.

Offering subsidies to single parents in low-wage jobs can help relieve some of the financial burden associated with work. As with food subsidies and child care subsidies, housing assistance could "free up" money for other purposes. Offering housing units to working families could potentially change the environment in housing projects and low-income neighborhoods. As noted in an earlier section, many single, working parents lack support from friends and neighbors. Living in a community with other single, working parents may provide working mothers with emotional and practical support to achieve self-sufficiency.

7. Health Care.

The availability of health care for women entering the workforce is an important factor in helping them leave welfare and remain employed. In addition, a lack of health coverage could affect their physical well being and, subsequently, their ability to maintain steady employment. Yet it was estimated that only 8 percent of women who left welfare for work between 1990 and 1992 were covered by employer-provided health insurance during their first month of work (Acs et al., as cited in Moffitt & Slade, 1997). An evaluation of California's GAIN program found that only 25 percent of welfare recipients who found jobs had employer provided private health insurance over a period of two or three years (Moffitt & Slade, 1997).

Several initiatives address health care and the disincentive to work. Most former welfare recipients are eligible to receive Transitional Medicaid Assistance (TMA) for one year after leaving welfare. And, the Balanced Budget Act of 1997 provides $24 billion in federal funds, over five years, for state Children's Health Insurance Programs (CHIP). Under CHIP, health

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[41] QOP operated in 5 sites between 1989 and 1993. Incoming 9th graders from families on public assistance were randomly assigned to experimental and control groups. In addition to financial incentives, QOP participants received enhanced educational activities, tutoring and homework assistance, and participated in community services. The program was **voluntary**.

coverage can be provided through a state's existing Medicaid program, through a new program, or a combination of both. According to Ullman, Bruen, and Holahan (1998), benefits are available to children who are ineligible for Medicaid and whose family incomes are below 200 percent of the Federal Poverty Line (FPL).[42]

8. Conclusions

- Helping make work pay for former welfare recipients, and recipients who are combining welfare with work, could have a significant impact on their ability and desire to sustain employment, advance in the labor market, and become self-sufficient. Tax credits, food supplements, child support, health care assistance, earned income disregards, and housing subsidies are all means by which recipients may be able to boost their income.

- In many cases, outreach is necessary in order to educate people about their eligibility for these programs.

- Having more income could enable workers to better cope with financial emergencies and necessary expenses. If recipients have the money to pay for these necessities, they might be less likely to forego paying for job-related expenses such as child care.

D. TRANSITIONAL SUPPORTS

Entering the workforce for the first time, or after a long absence, can be a daunting task. Welfare recipients often need to learn a variety of "soft skills" to help them cope with the work world. Participants face four major challenges when beginning work: adapting to the new costs and demands of working; meeting the demands of the workplace (fitting into the workplace culture, meeting performance standards, and adjusting emotionally); dealing with the lack of support by family and friends; and finding a new job following job loss (Haimson, Hershey, & Rangarajan, 1995, as cited in Brown, 1997). The services many welfare families need are numerous and provided by a vast network of agencies. Early intervention to address barriers and link participants to services is critical to getting welfare recipients employed, keeping them employed, and helping them find new jobs, particularly in light of the time limits and participation requirements of TANF.

1. Case Management.

Many programs used a case management approach to help welfare participants obtain the services they need. Case management can begin prior to employment and continue for some period after employment to reduce the frequency of job loss and, if necessary, facilitate re-employment.

- A key component of the **Postemployment Services Demonstration (PESD)** projects was the provision of intensive case management to promote job retention and advancement

[42] States with higher Medicaid eligibility levels, i.e. those Medicaid income limits for a particular group of children that were greater than 150 percent of the FPL as of March 31, 1997, or June 1, 1997 (states are allowed to refer to the Medicaid threshold of either time period), may set income limits for CHIP plans up to 50 percentage points higher than the existing limits.

among newly employed AFDC participants.[43] According to the evaluator, MPR, almost 9 out of 10 PESD clients used at least one case management service during the first six months of the program. More than 70 percent received counseling and support services (including discussions of how to budget money and workplace behavior). Four in ten received job search assistance (Rangarajan, 1998).

One of the four PESD sites had positive, modest impacts on job retention, employment, and earnings that could be attributed to the intervention. The preliminary findings from the PESD evaluation indicate that while in three of the four sites, PESD services resulted in small increases in job retention, employment, and earnings, and in decreases in welfare benefits, the impacts were statistically significant in only one of the three sites.[44] In the fourth site, earnings decreased and welfare increased, although not significantly (Rangarajan, Meckstroth, & Novak, 1998).

- An initial evaluation of Florida's **Family Transition Program (FTP)**, which also utilized case managers in two counties,[45] found that the clients interviewed by the evaluator, Manpower Demonstration Research Corporation (MDRC), had generally positive experiences. When asked if they agreed with the statement, "The welfare office/Family Transition Program staff are really interested in helping me improve my life," 62 percent of clients randomly assigned to the FTP group in Escambia County and 88 percent in Alachua County replied that they "agree a lot," compared with 12 percent and 36 percent of the respective control group members. Participants in Escambia County were also more likely than controls to have talked with their case managers about specific topics, including mental health/counseling (51 percent vs. 4 percent) and housing (44 percent vs. 12 percent). The findings in Alachua County were similar (Bloom & Butler, 1995).

- **Project Match** operates in three Chicago public housing projects and utilizes case managers to work with clients to develop employability plans, which are revised monthly.[46] A non-experimental evaluation found that 26 percent of participants worked all year during the first year. The proportion increased to 54 percent by year five (Wagner et al., 1998).

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[43] PESD operated between 1994 and 1996 in four sites. It was **mandatory** and targeted newly employed welfare recipients in the JOBS program.

[44] The authors surmise that these weak findings may be due in part to the lack of firm program service guidelines. The programs were evolving continually. Also, the requirement that case workers had to reach all of the clients, including those who did not need or want case management services, consumed a great deal of time. In addition, some of the services (such as job search) available to the PESD participants may also have been available to control group members.

[45] Florida received a federal waiver to time-limit welfare. The FTP included a number of incentives and services to promote work in addition to case management, and was **mandatory**. These included: expanded earned income disregards, increased levels of asset accumulation, eligibility for two-parent families, expanded funding for JOBS and support services (such as child care), transitional child care extended to 24 months, and continued education and training for former recipients who got jobs and left welfare (Bloom & Butler, 1995).

[46] Project Match is still in operation. It is a **voluntary** program.

2. Life Skills Training.

Because many welfare recipients have little recent work history, they may be unfamiliar with the demands and requirements of the workforce. They may need assistance in learning how to balance work and family. They may also need assistance dealing with fluctuations in income and benefits.[47]

In response to the need to address these issues, life skills training is offered to facilitate employment and increase the likelihood of job retention. Available services might include assistance with: budgeting, job etiquette, developing goals and recognizing personal challenges, changing destructive habits, building self-esteem, and peer support groups. Life skills training classes also play a role in motivation, the assessment of participants, and identification of those in need of more intensive services as program staff work closely with participants on a highly personal level (Pavetti et al., 1996). As a result, screening and other assessment tools previously discussed often take place during life skills sessions.

3. Support Groups and Mentoring.

Having someone, or a group, to talk to on an ongoing basis during the transition from welfare to work might make the process easier for some women.

Although support groups and mentoring may be low-cost, common sense, supportive arrangements, little is known about the effectiveness of these interventions. Support groups comprised of other participants who are going through similar changes can boost client morale and provide assistance in dealing with crises that may arise.

Support groups may help participants plan for emergencies before they happen. These social support programs, however, remain largely untested, due in part to the lack of a clear cut definition of social support.[48]

- One example is the **West Humboldt Employment Training Center**, located in a low-income Chicago neighborhood, provides social support through support groups. Participants select from one of several support groups, depending on their personal and family needs. At weekly group meetings, participants share steps they have taken to meet explicit goals. According to staff, since the groups began operating, case managers have had to deal with fewer emergencies. They attribute the decline to participants' knowledge that they have a set time each week to discuss problems (Pavetti et al., 1996).

Mentoring relationships pair less skilled or inexperienced workers with individuals who have better skills or more experience in the workplace. These mentors can be fellow employees in employer-sponsored mentoring programs, volunteers in community sponsored programs, or their own peers. Mentors might play a similar role to that of the case manager. However, the position

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[47] Life skills training was incorporated into many of the programs mentioned in this review, including New Chance, Project Match, Oregon JOBS, Comprehensive Child Development Program, and the Quantum Opportunities Program.

[48] The programs described in this section are **voluntary**.

could be a voluntary one often filled by a former welfare recipient who has succeeded in maintaining self-sufficiency. Peers might be more successful than case managers in forming a trusting relationship with those who need assistance.

- One example of a mentoring program is the **Big Brothers/Big Sisters** program, which targets toward low-income adolescents (ages 10 to 16) at risk of dropping out of school and other destructive behaviors. Over the course of a year, little brothers and sisters met one-on-one with their adult mentors at least three times each month for four-hour sessions. An evaluation by Public/Private Ventures found that adolescents who had regular contact with an adult mentor were almost 50 percent less likely than the control group to initiate drug use, 27 percent less likely to start drinking, one-third less likely to hit someone, half as likely to skip school, and more likely to report improved relationships with their parents (Public/Private Ventures, 1996).[49]

4. Conclusions

- A key component of the Post employment Service Demonstration projects and Florida's Family Transition Program (in two counties) was the provision of intensive case management. Evaluations of both programs found that clients used the services and found some aspects helpful. However, there is no evidence that these services led to better employment outcomes.

- Life skills training seems like a common sense approach to helping recipients overcome barriers to employment and job retention, but there is no research evidence to suggest that such programs help recipients find jobs or stay employed.

- Support groups comprised of other participants who are going through similar changes can boost client morale and help participants deal with problems as they arise. At this time, there is no systematic evidence to support the effectiveness of support groups.

- Mentoring has been found to help adolescents avoid a number of risk-taking behaviors. At this point, there is no systematic evidence that mentoring programs for women on welfare will improve employment and self-sufficiency, although the intervention is worthy of testing.

IV. ASSESSMENT PLAN

A. OVERVIEW

This assessment plan builds on the previous sections of the paper by utilizing the **"Systems Approach"** framework outlined in Section II as a vehicle for linking the service clusters identified in the literature review with the services offered through the HUD employment and training programs. For each service cluster, we will identify the key service components included and the HUD programs that either are encouraged to provide those services or may provide such services. For each service component, we will also distill the evaluation findings as

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[49] The authors note that positive benefits do not automatically stem from mentoring programs. Big Brothers/Big Sisters is unique in that it has specialized local programs that adhere to a set of standards.

to what is known about the effectiveness of the component in helping welfare recipients or low-income individuals become employed and/or achieve self-sufficiency.

Having established a framework for assessing the HUD programs, we will proceed to outline a series of research questions to guide the assessment. The research questions outlined below are structured around the following questions: (1) To what extent do HUD employment and training programs address the service clusters? (2) What are their specific service components? (3) To what extent are they consistent with the known research on the effectiveness of those service approaches? Given both the small number of sites that we will visit, and the significant flexibility HUD provides its local operators in the design and operation of its programs, our study is not intended to serve as an evaluation of any specific HUD program. Rather, we will review the HUD programs that are present in the communities we visit and explore their activities individually, as a group, and in concert with the larger efforts in the community to help welfare recipients sustain employment.

Thus, for each of the seven cities we will visit, we will identify the specific HUD employment and training programs in operation prior to our visit. During our visit, we will explore the extent to which each program is providing those services included in the service clusters and compare their service approach to the findings of the evaluation literature. We will also explore if, and, how the PHAs are using multiple HUD programs in concert with one another and the nature of the linkages between the HUD programs and the programs being provided through the larger human services and employment and training systems in the community. Finally, we will explore the perceptions of the HUD program operators and other program providers as to the elements of the HUD programs that either serve to facilitate or impede the delivery of effective services in the community. We will also identify local adaptations that may have helped communities incorporate innovative approaches to service delivery.

B. ASSESSMENT FRAMEWORK.

The assessment framework is depicted in **Table 3**. It describes the individual service components and the corresponding evaluation literature. There is a significant body of evaluation literature on employment and training services for welfare recipients. The research literature on barrier amelioration, helping the working poor to access non-welfare income and in-kind supports, and providing transitional support provides less guidance on how best to design and deliver services.

Beyond the success of specific program components, however, there is a larger issue. Given the wide variety of services and supports that many welfare recipients will require to become self-sufficient, how can states, localities, or agencies structure their service systems to provide the numerous programs and supports that individuals will need? The service management challenge is in helping clients to access one or more of the service clusters identified earlier.

C. HUD PROGRAM FRAMEWORK

1. Introduction

This section expands on the Assessment framework by providing an overview of HUD's programs and an explanation of how these programs fit into the System Approach framework.

Although HUD's programs do not always align neatly with this framework, we have attempted to categorize the programs based on the national program guidelines set forth in regulations, NOFAs and comprehensive work plan requirements, when available.[50] In categorizing the programs, we did not consider case studies of site-level programs since services provided at the site-level are not representative of all programs.

HUD employs a variety of strategies to address the needs of residents in employment services, barrier amelioration, cash and in-kind support, and transitional support. A common characteristic of the programs is broad program guidelines, which allow each site significant discretion to tailor programs to meet the needs and conditions of the local community. However, this broadness means that many of the program guidelines do not include specific service components. For example, HOPE VI requires a Community and Supportive Services Plan but does not specify the types of services that must be provided. On the other hand, the Youth Apprenticeship Program specifically requires basic skills training, community work experience, and on-the-job training. For those programs that require specific service components, we provide a description of the program requirement. For those programs that generally address one of the four categories, we provide a brief summary of how that category is addressed. Many of the programs fall in some but not all four of the categories.

[50] HUD requires PHAs and property owners or managers to develop comprehensive work plans to assist in program implementation. Work plans typically include detailed descriptions of activities, specific objectives, timetables, budget estimates, resource charts, etc. The name used for the plan varies by program. For example, HUD requires Neighborhood Networks centers to submit a business plan, HOPE VI grantees must submit a Community and Supportive Services Plan, and PHAs with FSS programs must submit an Action Plan.

TABLE 3: ASSESSMENT FRAMEWORK

Employment Services

COMPONENT	EVALUATION FINDINGS	HUD PROGRAM
Assessment generally entails an interview with a case worker to determine general characteristics of the participant. Higher intensity assessment may be repeated and may include barrier screening and skills testing.	❑ There is little experimental data to support the notion that assessment directly impacts increased employment and earnings. However, it is assumed to be a valuable tool used to gauge employment skills and interests, reveal barriers, and target services. ❑ As with the *JOBS* demonstrations, assessment intensity varies depending on the program's focus. As a result, impacts are not solely attributable to assessment type. ❑ Two targeting approaches are currently in the formulation and evaluation stages. They include (1) The Worker Profiling and Reemployment Services system and (2) a checklist-type targeting tool developed by Mathematica Policy Research.	❑ Neighborhood Networks ❑ Family Self-Sufficiency ❑ Jobs Plus
Job Search may be characterized by low intensity individual search or high intensity search which may involve working with a job assistant who provides training in resume writing, interviewing skills, and/or promising job search tactics.	❑ Low to moderate intensity job search (including unassisted individual job search or job club followed by independent job search) as conducted in the *Arkansas WORK* program, did have positive, significant two-year impacts on employment and earnings. However, the impacts disappeared by the end of the fifth year. The impacts of this program were small relative to more comprehensive programs which offered more services in addition to job search. ❑ Gueron and Pauly (1991) found that job search assistance does generally increase employment but that it does not affect wages. They also conclude that job search assistance *alone* does not substantially reduce welfare dependence. ❑ Job search, as used in *California GAIN*, *Project Match*, and others, is often deemed an essential piece of a "successful" program.	❑ Family Self-Sufficiency ❑ Hope VI ❑ Neighborhood Networks ❑ Jobs Plus
Work Experience / Subsidized Employment both aim to provide the worker with employment skills. Work Experience (or workfare) entails working in "exchange" for benefits and is generally public sector employment. Subsidized employment pays the worker wages and often takes place in the private sector.	❑ Workfare (low intensity work experience) which was utilized in the WIN and JOBS programs generally lasted 1-3 months and was found to have no consistent impacts on employment, earnings, or welfare receipt. ❑ In the *Baltimore Options* program, it was determined that short-term work experience *alone* had no impacts on employment or welfare receipt. However, the program did have positive impacts overall. ❑ The *National Supported Work Demonstration*, provided higher intensity work experience in the form of subsidized work and had significant, positive impacts on earnings for many years. It also increased employment and reduced welfare receipt. ❑ The *Home Health Aide* demonstration, which involved paid supported work experience, also had significant impacts. It increased earnings and employment rates while reducing welfare receipt at four of seven sites.	❑ Section 3 (employment opportunities may be similar to subsidized employment) ❑ Youth Apprenticeship Program
On-the-Job Training (OJT) is generally employer provided, subsidized training in the workplace. It may be provided as a formal training program prior to employment or in conjunction with work.	❑ On-the-job training (OJT) has had consistent positive impacts on employment and earnings of welfare recipients, namely the "hardest-to-serve." ❑ Programs which utilized OJT, such as *Maine TOPS*, *Baltimore Options*, *California GAIN*, and *JTPA* found earnings gains, some of which were sustained beyond the short-term (two years). Few, however, had significant impacts on employment.	❑ Section 3 ❑ Youthbuild ❑ Youth Apprenticeship Program

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Employment Services

COMPONENT	EVALUATION FINDINGS	HUD PROGRAM
Vocational Training aims to train a potential worker for a specific job or trade. It often entails classroom training and may be combined with on-the-job training.	❑ The Center for Employment Training (CET) site in the *Minority Female Single Parent Demonstration (MFSPD)* focused on occupational training and education. It had promising initial earnings results. ❑ *Child Comprehensive Development Program (CCDP)*, *Oregon* and other *JOBS* programs, *California GAIN*, and *Maine TOPS* all utilized vocational training and had positive impacts on employment or earnings. ❑ The *New Chance* program, however, utilized vocational training and had no significant impacts on employment or earnings.	❑ Step-Up (pre-apprenticeship training) ❑ Youthbuild ❑ Youth Apprenticeship Program (classroom skills training)
Basic Skills is considered to be "general" education and is not targeted to a specific job, industry, or trade. It may involve remedial education, English as a Second Language (ESL), Adult Basic Education (ABE) and General Educational Development (GED) training.	❑ Programs which focus on basic skills tend to have few, if any, positive impacts on employment, earnings, or reduced welfare receipt. ❑ Some more comprehensive programs which include basic education, *California GAIN*, *Baltimore Options*, and the *JOBS* programs, for example, have had positive results. Yet, it is not evident that they are attributable to the presence of education services. ❑ The *Even Start Family Literacy Program*, which focused on basic education, had no positive impacts on the above measures of self-sufficiency. ❑ While some programs such as *Oregon JOBS*, *New Chance* and The *Even Start Family Literacy Program* did increase GED attainment, the research shows that when years of schooling and work experience are controlled for, GED certification has no positive impact on earnings or employment. ❑ Programs such as *California GAIN* and *JOBS* do, however, tend to have stronger positive impacts for subgroups of people determined not to need basic education.	❑ Hope VI ❑ Step-Up ❑ Youthbuild ❑ Youth Apprenticeship Program ❑ Neighborhood Networks ❑ Section 3
Post-secondary Education generally involves college level courses/education after receiving a high school diploma or GED certificate.	❑ There is little evidence supporting the impacts of post-secondary education as very few programs offer it. ❑ The *Minnesota Family Investment Program* offered post-secondary education, however, its positive impacts are generally attributed to the financial incentives. ❑ The *Quantum Opportunity Program* made post-secondary education a goal. The program led to an increase in skills, graduation from high school, and continuation in post-secondary education.	❑ Family Self-Sufficiency (money accrued in escrow accounts may be used toward post-secondary education)
Employment- vs. Education and Training-focused Strategies utilize different means to help people work toward self-sufficiency. Employment-focused programs may still incorporate *short-term* (3 months or less) education and training.	❑ These strategies were tested through many of the *JOBS* programs. Findings indicate that employment-focused programs can moderately increase employment and earnings and decrease welfare payments and receipt. ❑ Education and training-focused programs have produced inconsistent results. There is some evidence that impacts may increase over time. ❑ Mixed strategy approaches, such as that used in *Oregon JOBS*, may hold the most promise.	*Employment-Focused:* ❑ Section 3 ❑ Jobs Plus ❑ EDSS Education and Training-focused: ❑ Family Self-Sufficiency ❑ Step-Up ❑ Youth Apprenticeship Program ❑ Youthbuild

	BARRIER[51]	EVALUATION FINDINGS	HUD PROGRAM
Barriers to Employment	Child Care	❑ The current supply of infant care is insufficient. ❑ The supply of care during non-standard hours is also insufficient. ❑ The type of provider is related to duration of work; women with children in center-based care or non-relative care worked for longer periods of time than those who used relative care. ❑ Evaluation literature concerning the implications on employment, earnings, and self-sufficiency as related to child care is sparse.	❑ Various
	Transportation	❑ A spatial mismatch exists between jobs and residents. ❑ Transportation routes or hours are often insufficient. ❑ Programs are being tested (Bridges to Work and Joblinks), but thus far no evaluation results are available.	❑ Moving to opportunity
	Social Support	❑ A lack of support networks can lead to depression and job loss according to case studies. ❑ Providing a network is an aspect of many programs, such as *New Chance* and the *Quantum Opportunity Program*, and while such provisions appear to be common sense, they are difficult to evaluate.	❑ Neighborhood Networks (under "social services")
	Domestic Violence	❑ Prevalence estimates range from 15% to 32% of current welfare recipients. ❑ States and programs are experimenting with methods to screen abused women and refer them to care; thus far, there is no evaluation evidence.	❑ Various
	Mental Health	❑ Welfare recipients are more prone to depression, anxiety, and low self-esteem than the general population. ❑ Depression can be effectively treated. ❑ States are experimenting with screening mechanisms and referrals, but no evaluation evidence of what "works" is available. ❑ Employee Assistance Programs for those who work in medium or large firms are a possibility.	❑ Neighborhood Networks (concerned with health and wellness)
	Substance Abuse	❑ Welfare recipients are more likely to have a substance abuse problem than the general population. ❑ States, particularly Oregon and Utah, are experimenting with the use of screening mechanisms and referrals. ❑ Employee Assistance Programs for those who work in medium or large firms are a possibility.	❑ Various ❑ Drug Elimination Grant

[51] Many programs, including EDSS, TOP, Step-up, FIC and Youthbuild do address "employment barriers," but do not specify the provision of services for any specific barriers. Local programs could use this funding for any of these services.

Cash and In-Kind Supports

SUPPORT	EVALUATION FINDINGS	HUD PROGRAM
Earned Income Tax Credit (EITC)	❑ According to the Center on Budget and Policy Priorities, the EITC lifted 4.6 million people in low-income families out of poverty in 1996. ❑ There is a positive correlation between work effort of single mothers and growth in the EITC.	❑
Child Support	❑ Fathers of children on welfare most often have low incomes and are unable to pay child support. ❑ *Parents' Fair Share* offers employment and training opportunities to low-income men; child support collections increased moderately, but payments seem to be due primarily to "smoking out" fathers who could pay but were not previously doing so. ❑ The *Child Assistance Program* offers incentives for mothers to obtain child support awards; participants in the CAP program did obtain more awards, but there was no difference between the program and control groups in terms of total collections.	❑
Earned Income Disregards	❑ Allowing welfare recipients to keep a larger share of their earnings seems to be associated with an increased work effort. The *Minnesota Family Investment Program* (MFIP) attributes reduction in poverty and gains in employment and earnings to the financial incentives of the program; however, the financial incentives were backed up with a strong employment-focused mandate. It is not clear that financial incentive alone could increase employment and reduce poverty. ❑ *Florida's Family Transition Program* utilizes financial incentives and has had promising initial impacts. Like *MFIP*, it is a comprehensive program whose impacts are not attributable solely to financial incentives, but rather, the program services and components working in conjunction with one another. ❑ Participants in the *Child Assistance Program* also had higher earnings and work levels than the control group, due in part to the generous earned income disregard. ❑ Income supplements can increase earnings and hours worked among women who have left welfare. *Canada's Self-Sufficiency Project's* earnings supplement effectively doubled the income of full-time workers. The program participants were nearly 50% more likely to work each month than were other welfare recipients.	❑ Family Investment Centers ❑ Family Self-Sufficiency ❑ Section 3 (under HUD's Income Exclusion provision) ❑ Jobs Plus
Other Financial Incentives	❑ Participants in the *Quantum Opportunity Program* received stipends and matching funds in an accrual account to be used for post-secondary education. Compared to the control group, the experimental group was more likely to graduate from high school, enroll in post-secondary school, and less likely to have a child while in high school.	❑ EDSS (stipends, homeownership) ❑ FSS (escrow accounts, homeownership) ❑ Jobs Plus
Food Subsidies and Health Care	❑ Non-cash supports can "free up" income for other uses, such as child care or transportation. ❑ Access to health care was considered a major barrier to work under the AFDC program. Thus far, there is little evaluation research on the success of Transitional Medicaid Assistance and the Children's Health Insurance Program (CHIP). ❑ Food Stamps are available to the non-welfare population, but evidence indicates that the program is not fully utilized.	❑ TOP (health care outreach) ❑ Neighborhood Networks (concerned with health and wellness)

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Transitional Support

COMPONENT	EVALUATION FINDINGS	HUD PROGRAM
Case Management can range from low to high intensity. Low intensity case management is characterized by occasional or rare contact with a case worker. Medium to high intensity case management involves more frequent contact (monthly or weekly) and may involve home visits, follow-up with employers, service referrals and continued follow-up with service providers.	❑ Many programs utilize case managers to help welfare recipients get the services they need. ❑ Evaluations of the *Postemployment Services Demonstration* and the *Family Transition Program* found that welfare recipients will use case management services, at least in some circumstances. ❑ Thus far, there is no evaluation evidence that links case management directly with employment outcomes.	❑ EDSS ❑ Family Investment Centers ❑ Family Self-Sufficiency ❑ Jobs Plus
Life Skills Training can involve an array of services which may include, but is not limited to, training or assistance with parenting, budgeting, conflict resolution, family planning, and soft skills (e.g., job etiquette, timeliness)	❑ Such training is incorporated into many programs because it is perceived to be necessary. ❑ However, little empirical evidence is available concerning the benefits of, or the need for, life skills training.	❑ EDSS ❑ Step-Up ❑ TOP ❑ Youthbuild (leadership training) ❑ Jobs Plus
Support Groups and Mentoring involves group discussion about personal and work related issues and one-on-one guidance, respectively. Both components are largely peer driven and tend to rely on trust as a major factor of success.	❑ Case studies have found that women utilize support groups, and that having a regular time to talk through problems can help prevent emergencies. However, these interventions have not been rigorously tested. ❑ When provided by experienced programs with well-developed standards, one-on-one mentoring has been found to help adolescents avoid risky behaviors (e.g. drug and alcohol use). ❑ Mentoring programs that pair successful adults with those entering the workforce are largely untested.	❑ EDSS ❑ TOP (youth mentoring) ❑ Jobs Plus

2. Program Descriptions

Bridges to Work

The Bridges to Work demonstration program places participants into existing, private sector suburban jobs, and provides transportation and supportive services, including child care, counseling, and crisis intervention to help new workers maintain their jobs. Bridges to Work tests the idea that better access to jobs in suburban communities can improve employment for inner-city workers. The program will monitor the job success of the participants and a control group not receiving the coordinated special services.

Economic Development and Supportive Services (EDSS)

The Economic Development and Supportive Services program awards grants to PHAs to assist them in providing education, training, and supportive services for residents.[52] Operating within a broad list of eligible activities, program sites may use funds to establish a variety of services. While one site may use EDSS funds to establish a child care center, another may fund a computer skills class for residents. To encourage PHAs to provide access to comprehensive services, HUD requires PHAs to enter into service delivery arrangements with local organizations and to leverage funding from within their communities.

Family Investment Centers (FIC)

FIC was designed to provide families living in public housing with better access to education, training, and supportive services by providing grants to PHAs for the construction of multi-purpose resource centers. The FIC program was funded for one year only. Because the majority of funds were for construction, applicants needed to demonstrate a firm commitment from other revenue sources to ensure needed services would be provided once the center was built. Additionally, FIC was one of HUD's first programs to address work disincentives created by federal rent rules that require rent increases when residents' incomes increase. The income exclusion, which disregards for the purpose of determining rent the income earned by residents during the first 18 months of program participation, is now used in all of HUD's public housing programs.

Family Self-Sufficiency (FSS)

The Family Self-Sufficiency (FSS) program aims to help residents of public housing and recipients of tenant-based Section 8 assistance become self-sufficient through education, training, and the provision of supportive services, including case management. Each PHA receiving public housing or Section 8 funding is required to operate an FSS program. Family participation is voluntary. However, families who choose to participate must sign a contract specifying the steps the PHA and the family will take to promote the family's financial

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[52] EDSS provides grants to PHAs in two categories: 1) economic development and supportive services for families; and 2) supportive services for elderly or disabled residents. This assessment plan focuses on the families portion of the program only.

independence. Any rent increase FSS participants might otherwise pay because of earned income is deposited to an interest-bearing escrow account for their personal use upon successful completion of the FSS contract. The contract also specifies the penalties a family will face if it fails to comply with the contract.

HOPE VI

The goal of HOPE VI is to revitalize severely distressed public housing developments by investing simultaneously in sites, buildings, and people. This revitalization effort focuses on physical improvements, management improvements, and social and community services to address the needs of the residents. Applicants may request up to $5,000 per household for community and supportive services, including self-sufficiency programs. HUD requires each grantee to submit a Community and Supportive Services Plan (CSS), that includes a needs assessment survey, goals and objectives that respond to the needs assessment, a plan for selecting service providers, and a list of partners.

Jobs Plus

Jobs Plus is a demonstration program constructed by HUD, HHS, Manpower Development Research Center and several foundations to test the impact of intensive and integrated employment and support services upon the transition of welfare recipients to work. The demonstration, which is operating in seven cities at eight public housing sites, attempts to measure the effect of resident participation in a collaborative program that strongly emphasizes rapid employment, provides targeted employment training and education and creates an environment that supports work, on employment, income and welfare receipt. A local collaborative of Public Housing officials, resident organizations, TANF and employment and training agencies will design and implement local programs to "saturate" the sites with services to support rapid employment and transition to self-sufficiency.

Moving to Opportunity

Moving to Opportunity is a 10-year research demonstration that combines tenant-based rental assistance with housing counseling to help very low-income families move from poverty-stricken urban areas to low-poverty neighborhoods. This demonstration tests the impact of housing counseling and other assistance on the housing choices of Section 8 households in order to develop more effective mobility strategies for recipients of tenant-based housing assistance in five metropolitan areas. The program also examines the long-term effects of access to low-poverty neighborhoods on the housing, employment, and educational achievements of the assisted households.

Neighborhood Networks

Neighborhood Networks is a HUD initiative that encourages the development of community-based resource and computer learning centers in privately owned, HUD-insured and -assisted housing. The goal of Neighborhood Networks is to increase residents' employment opportunities and access to health and wellness services, improve educational performance of children, empower residents, increase participation by property owners and decrease dependency on federal funding. While no two centers are alike, centers usually offer computer access, staff

assistance, and a range of training resources to housing residents. Center programs may include computer training, Internet access, job readiness support, micro-enterprise development, GED certification, health care and social services, adult education classes, and youth services.

Section 3

Section 3 of the Housing and Urban Development Act of 1968 requires employment and other economic opportunities generated by HUD funding for housing and community development projects to be directed towards low-income persons. Because no administrative funding is available for Section 3, PHAs and other recipients of HUD funds must leverage local resources and coordinate with existing service providers to deliver necessary training and supportive services to residents.

Step-Up

HUD created the Step-Up program to encourage PHAs and other organizations to provide low-income individuals with job training opportunities that lead to self-sufficiency. Programs typically focus on linking participants with pre-apprenticeship job training in building maintenance or the construction trade, thereby allowing them to better qualify for registered apprenticeships. At the same time, pre-apprenticeships enable employers to meet the requirements of the Davis Bacon Act and the Section 3 mandate. The Step-Up program is intended to help overcome barriers to self-sufficiency by encouraging joint classroom and on-the-job training, as well as supportive services. HUD does not provide direct funding for Step-Up programs, but instead, attempts to facilitate partnerships and provide technical assistance where possible.

Tenant Opportunity Program (TOP)

The Tenant Opportunity Program seeks to increase the economic independence of residents by providing one-time grants to resident organizations for self-sufficiency activities.[53] Grants are awarded on a competitive basis and may be used for a variety of activities, including vocational training, basic skills training, job search and placement assistance, or child care assistance. Resident organizations may use grants to fund one particular service or a spectrum of services, but applications that include comprehensive strategies are more competitive in the funding process.

Youth Apprenticeship Program (YAP)

The goal of the Youth Apprenticeship Program is to be a comprehensive job linkage program. On a demonstration basis, HUD funded eight PHAs to provide young residents of public and assisted housing with basic skills training, paid community work experience, and ultimately, placement into a paid apprenticeship.

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[53] TOP awards grants to resident organizations in three categories: 1) organizational development; 2) mediation; and 3) self-sufficiency activities. This assessment plan focuses on the self-sufficiency portion of the program.

Youthbuild

Youthbuild provides grant funding to programs that assist low- and very low-income 16- to 24-year-olds who dropped out of high school. HUD requires grantees to incorporate three components into their local programs: education, on-the-job construction experience, and supportive services, such as leadership training and substance abuse prevention counseling. Funding is used for educational courses and to pay the wages of participants. Costs for supportive services are also allowed, but partnerships with other organizations are encouraged. Participants are required to spend half of their time on-site and half in the classroom. Youthbuild grants are awarded on a competitive basis, thereby encouraging applicants to provide more extensive supportive services to increase their chance of obtaining funds.

Drug Elimination Grant

The Drug Elimination Grant Program is not a welfare-to-work initiative per se, but a program designed to help PHAs address problems of drug abuse and crime in public housing developments. Grantees have been able to fund program activities and services that were reasonably related to drug abuse and crime prevention, including job training and education. The flexibility has enabled PHAs to use grant funds for resident services and programs that benefit welfare recipients and their families.

3. Applying the Systems Approach Framework to HUD Programs

In this section, we categorize HUD programs by applying the Systems Approach framework. Although HUD's programs do not always align neatly with this framework, we have attempted to classify the programs based on their program guidelines.

A. EMPLOYMENT AND TRAINING PROGRAMS

1. Assessment

Family Self-Sufficiency (FSS)

The PHA Action Plan, required for all FSS programs, must include a description of the PHA's method for identifying the support needs of participating families. Additionally, each family must enter into a contract of participation with the PHA that operates the FSS program. One of the components of the contract of participation is the "individual training and services plan," which is a written plan prepared for the each adult household member who elects to participate in the FSS program and includes the following:

- The supportive services to be provided to the family member;
- The activities to be completed by that family member; and
- The agreed upon completion dates for the services and activities.

Neighborhood Networks

One of the service components of a Neighborhood Networks center is a Resident Development Plan (RDP). The RDP outlines the training needs and goals for each resident participating in the center including:

- Education skills and interests assessment - focusing on educational basics;
- Life goals plan - the individual's strengths and ambitions, including educational and job-related short-term objectives and career goals; and
- Lifestyle management system – to help residents manage life changes necessary to achieve their goals.

2. Job Search

Bridges to Work

Bridges to Work provides participants with job search and retention counseling, which may include placement assistance into private sector jobs in suburban communities.

Family Self-Sufficiency

As part of its supportive services, a PHA may provide an FSS family with access to employment services. Employment services may include job training, preparation, and counseling; job development and placement; and follow-up assistance after job placement and completion of the contract of participation.

HOPE VI

A HOPE VI applicant's Community and Supportive Services Plan (CSS) should identify employers and potential employment opportunities for residents who complete community and supportive service training. This training should address self-motivation, employment, and education.

Neighborhood Networks

HUD requires each Neighborhood Networks center to develop a business plan. While some components of the Neighborhood Networks Business Plan (NNBP) are merely recommended, HUD requires that the NNBP have a priority focus on resident jobs, job training, and job development.

3. Work Experience and Subsidized Employment

Youth Apprenticeship Program

Paid community service is one component of YAP.

4. On-the-job Training

Section 3

By requiring recipients of HUD funds to direct employment opportunities towards public housing residents and other low-income individuals, Section 3 effectively provides on-the job training for residents. (Section 3 is not a perfect fit under this category because employers probably do not provide extensive training for residents. Additionally, employers may not retain residents after completion of the HUD-funded project. Nonetheless, residents hired under Section 3 receive paid work experience in unsubsidized jobs.)

5. Vocational Training

Step-Up

Step-Up combines on-the-job, apprenticeship training with classroom instruction. Step-Up's framework requires that the educational component comprise approximately half of the participant's training time. This component should focus on job-related training, but some participants may need primarily basic skills training. In these cases, the local programs try to accommodate their needs.

Youth Apprenticeship Program

Youth Apprenticeship Programs are designed as multi-phase programs. Participants first engage in a pre-employment component in which they develop basic job skills and complete academic coursework while participating in paid community service activities. The second (optional) phase involves pre-apprenticeship training to facilitate participants' transition into apprenticeships, while the third component is placement into the apprenticeship itself.

Youthbuild

Youthbuild programs assist young adults who did not graduate from high school. A participant's time is split approximately equally between on-the-job and classroom instruction.

6. Basic Skills Training

Family Self-Sufficiency

Supportive services that a PHA will make available to an FSS family may include remedial education, or education for completion of secondary or post-secondary schooling.

HOPE VI

The self-sufficiency plan required of HOPE VI grantees should demonstrate that relationships have been forged with local Boards of Education, institutions of higher learning, non-profit or for-profit educational institutions, and public/private mentoring programs. Grantees should work with these partners to develop new or improved educational facilities and improved education opportunities for children of PHA residents.

Neighborhood Networks

HUD recommends that the NNBP address the provision of distance or on-site learning by the local public school system, technical institutes, and community colleges/universities, for activities such as adult literacy, computer literacy, typing skills, and GED.

Section 3

Recipients of HUD funding are not required to provide basic skills training for residents, but it may be a practical necessity if recipients are to meet their Section 3 obligation.

Step-Up

Step-Up's framework requires that an educational component comprise approximately half of the participant's training time. For many participants, the educational program helps them obtain their GED.

Youth Apprenticeship Program

Youth Apprenticeship Program participants complete academic coursework and life skills training while participating in paid, community service activities.

Youthbuild

Youthbuild participants spend half of their time in the classroom working toward their GED and learning job-related material.

7. Post-secondary Education

Family Self-Sufficiency

Supportive services that a PHA will make available to a FSS family may include education for completion of secondary or post-secondary schooling. Additionally, FSS families may use their escrow funds prior to fulfilling their contractual obligations if they reach some interim goals and need the funds for a purpose consistent with contract participation, such as higher education, job training, or start-up costs for a small business.

8. General

Economic Development and Supportive Services

EDSS recipients may use program funds for any of the eight employment and training components identified above. Applicants may provide one service or a variety of services, but applications that comprehensively address residents' needs are more competitive in the funding process. Not all services included in the work plan must be funded through EDSS.

Family Investment Centers

Same as EDSS.

Tenant Opportunity Program

Similar to EDSS, recipients may use program funds for any of the preceding employment and training activities as long as they can demonstrate in their work plans that the proposed activities are appropriate in addressing the needs of residents. Again, applicants may use their grants to fund one service or a variety of services, but HUD encourages applicants to use a comprehensive approach to assist residents. Applicants who leverage outside funding and partner with multiple organizations are more competitive in the funding process.

B. BARRIER AMELIORATION

Bridges to Work

The primary focus of the Bridges to Work demonstration program is to provide inner-city participants with access to suburban jobs, including transportation to those jobs. Other supportive services provided to participants include child care, substance abuse counseling, and crisis intervention to help new workers maintain their jobs. Regional collaborations with other federal initiatives and local social service agencies provide linkages to other services.

Economic Development and Supportive Services

EDSS recipients may use their grant to provide supportive services in addition to training and employment activities or they may use the entire grant for supportive services. Recipients may use program funds for activities such as child care, transportation costs, or supportive health care services (including referral and/or counseling for mental health problems, substance abuse, and domestic violence). While it is probably impossible to fund all necessary services with EDSS funds, applicants are encouraged to partner with other organizations to provide a breadth of services. Applications that demonstrate a comprehensive provision of services are more competitive in the funding process.

Family Investment Centers

Same as EDSS.

Family Self-Sufficiency

As part of its supportive services, a PHA may provide access to child care, transportation, and substance/alcohol abuse treatment and counseling.

HOPE VI

The CSS must address the residents' social and community services needs by including a needs assessment survey, goals and objectives that respond to the needs assessment, a plan for selecting service providers, and a list of partners.

Moving to Opportunity

Low-income families with children in the experimental group in the Moving to Opportunity program receive housing vouchers that must be used in areas with less than 10 percent poverty, as well as housing counseling to help them successfully access housing in these areas. It is hoped that the new housing will be closer to jobs, thus ameliorating the transportation barrier.

Neighborhood Networks

The program's philosophy is to provide resources that could lead residents to jobs – including expanding child care options, increasing access to health and wellness care, and creating opportunities in telecommuting.

Step-Up

In order to be designated a Step-Up program by the national office, a local program must incorporate one year of support services and related assistance for each participant. These services may include child care, remedial education, literacy, and pre-job skills and counseling, transportation assistance, life skills, and substance abuse prevention.

Tenant Opportunity Program

Same as EDSS.

Youthbuild

Youthbuild requires the provision of support services as one of the three primary components of the grant application. Support services include leadership training, referral services counseling, peer support, and other social services. These services are differentiated from optional activities such as drivers' education, internships, and programs for the disabled. Youthbuild encourages local Youthbuild programs to incorporate as many support services as possible by giving greater consideration in the grant award process to those who have more comprehensive programs. An applicant, however, is also rated on whether or not it has a coordinated, community-based process of identifying and addressing needs.

C. CASH AND IN-KIND SUPPORT

Agency-Wide

PHAs are required to implement the Training Income Exclusions when determining tenant annual income and tenant rental charges in the public housing program. (Notice PIH 98-2(HA) and 24 CFR Part 5). PHA's have the obligation to provide training income exclusions to tenants who are or have enrolled in training programs that comply with regulatory requirements. The Department believes these exclusions are an important factor in helping residents move from welfare and dependence to greater self-sufficiency. Because the exclusions are regulatory based, PHAs must reflect the training exclusions on their rent rolls.

Family Investment Centers

The Agency-wide Training Income Exclusions originated from the FIC program. FIC regulations require that for up to 18 months, earnings of families participating in the program must not be considered as income when determining the resident rental payment.

Family Self-Sufficiency

Any rent increase FSS participants might otherwise pay because of earned income is deposited to an interest-bearing escrow account for their personal use upon successful completion of the FSS contract. Participants may use funds prior to fulfilling their contractual obligations if they reach some interim goals and need the funds for a purpose consistent with contract participation, such as higher education, job training, or start-up costs for a small business. Upon completion of their contract, participants may use their funds to purchase a home through HUD's homeownership programs, or other federal, state, or local programs.

Neighborhood Networks

In its discussion of Neighborhood Networks, HUD's Management Agent Handbook references, "Exclusion of Income Received under Training Programs in Multifamily Housing Programs," which protects residents from immediate rent increases.

D. TRANSITIONAL SUPPORTS

1. Case Management

Family Self-Sufficiency

The FSS program coordinator serves as a case manager whose responsibilities include ensuring that program participants are linked to the supportive services they need to achieve self-sufficiency. Recognizing that a case manager's workload will affect performance, HUD staffing guidelines recommend that a full-time FSS coordinator serve approximately 50 FSS participants.

Neighborhood Networks

According to HUD's Management Agent Handbook, all Neighborhood Networks centers need an on-line service coordinator who is responsible for tailoring opportunities at the center to meet the needs of the residents.

2. Other

Economic Development and Supportive Services

EDSS recipients may use program funds for transitional assistance, including case management, life skills training, and mentoring programs. Again, applicants are not required to provide such services, but those employing comprehensive strategies to address residents' needs are more competitive in the funding process.

Family Investment Centers

Same as EDSS.

Family Self-Sufficiency

FSS programs use case managers who could provide transitional services to residents.

Tenant Opportunity Program

Same as EDSS.

D. RESEARCH QUESTIONS

The review of the employment and training literature and HUD programs suggests to us the following research questions:

1. Which HUD programs are operating in the community?
2. For each program, which service clusters are they addressing?
3. For each service cluster, what types of services are they providing?
4. For each service, describe: (a) For whom is it targeted? (b) How it is delivered? (c) Who delivers the service? and (d) Where is it delivered?
5. What does the evaluation literature show about the effectiveness of the service approach employed?

    a) Do the program participants undergo assessment? If so what does the assessment entail (low vs. high intensity components)?

    b) Does the program have a job search component and how intense is it? Is it provided alone or in conjunction with other services/program components?

    c) Does the program offer work experience or subsidized employment? If so, how structured are the components?

    d) Is on-the-job training available? What is the duration/scope of the training?

    e) Is vocational training available? Is the training tailored to fit current employment opportunities in the community? Is it followed by a job offer/opportunity (if employer provided)?

    f) Is basic skills training available? Is it offered as part of a sequence of events/services? Is it tailored to specific industries or employment opportunities?

    g) Is post-secondary education available? Is it combined with work?

h) Does the program address barriers to employment? If so how? Are referrals provided? Is follow-up conducted? Are any barriers addressed on-site? How long is assistance/treatment in duration?

i) Does the program provide outreach, information, and/or assistance with cash and in-kind supports (such as the EITC, health care: TMA/CHIP, food programs, or child support)? How are housing costs adjusted as earnings increased?

j) Does the program provide case management? How intense is it and what does it entail? How large is the average case worker's caseload?

k) Does the program provide or facilitate additional transitional services such as life skills classes, support groups, and mentoring?

6. What linkages exist between HUD programs and others in the community?

   a) Does the program link with employers? How so?

   b) Support service providers? In what way?

   c) Health care providers? In what way?

   d) Educators? In what way?

   e) Welfare agency? In what way?

   f) Employment and training structure? In what way?

7. What are the perceptions of the PHA's officials and other key stakeholders in the community with regard to the extent to which the structure of the HUD programs facilitate or create barriers to helping welfare recipients achieve self-sufficiency? What changes would they recommend?

8. What local adaptations have been made in the HUD programs to reach this goal?

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APPENDIX A.A
HUD PROGRAM PROFILES

ECONOMIC DEVELOPMENT AND SUPPORTIVE SERVICES (EDSS)

Goals

More than 60 percent of non-elderly public housing residents receive public assistance, approximately 46 percent of residents currently list welfare as their primary source of income. The Economic Development and Supportive Services (EDSS) program seeks to help these families move to work and achieve self-sufficiency by providing grants to PHAs for education, training, and social service programs.[54]

Background

EDSS succeeded the Family Investment Center (FIC) program in 1996. While FIC funds were used primarily for the construction of multi-purpose resource centers, welfare reform shifted the focus to service provision and self-sufficiency activities. Unlike FIC, EDSS funds cannot be used for the construction or renovation of buildings.

Scale and Funding

In its first two years of operation, 161 sites were funded under the family self-sufficiency portion of the EDSS grant. In FY 98, Congress appropriated $30 million for EDSS.[55]

Strategies

To ensure that grantees address the training and social service needs of residents, HUD requires applicants to develop a comprehensive needs assessment and a detailed work plan. HUD's field offices use the work plans to monitor recipients' progress.

Flexibility is a hallmark of HUD's employment and training programs. EDSS recipients are allowed to use the funds in the way that best meets their needs. All of the following are considered eligible activities:

- Job training, job search assistance, job development and placement, and continued follow-up assistance;
- Entrepreneurship training, computer skills training, business development planning, and micro-loan fund or credit union development;
- Stipends (up to $200 per participant per month) to cover the reasonable costs related to participation in training and other EDSS activities;

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[54] Grants are awarded on a competitive basis in two categories: Sixty percent of grant go to PHAs to support family self-sufficiency activities, while the other 40% of grants help PHAs defray the potentially significant costs of providing support services to their elderly and disabled residents and residents with disabilities.

[55] In addition, HUD had carryover funds of $17 million from FY 97.

- Homeownership training and counseling (development of feasibility studies and preparation of homeownership plans/proposals);
- Education, including literacy training, GED, ESL, two-year college tuition assistance, and trade school assistance;
- Youth mentoring, such as after-school tutoring, help with problem resolution, illegal drug avoidance, job counseling, and mental health counseling;
- Personal wellbeing, including family/parental development counseling, parenting skills training for adult and teenage parents, and self-development counseling;
- Supportive health care services, such as outreach and referral services for substance and alcohol abuse treatment and counseling or mental health counseling;
- Child care;
- Transportation assistance;
- Case management;
- The employment of service coordinators; and
- Administrative costs, not to exceed 15 percent of the grant amount.

To encourage grantees to focus on self-sufficiency activities, HUD requires applicants to demonstrate that at least 51 percent of the residents included in the proposed program are affected by the welfare reform legislation. Applicants must also provide evidence that a majority of the proposed activities will be administered either on-site or at community facilities within easy access (i.e., served by direct, inexpensive, and reliable transport) of the housing development.

Finally, EDSS functions as seed money.[56] To support the grant while the program is being implemented and to sustain the program after HUD funds are exhausted, HUD encourages recipients to establish partnerships with local service providers and to leverage funding from other sources. The program requires a dollar-for-dollar funding match from the community, at least 25 percent of which must be monetary. HUD also encourages PHAs to use EDSS in tandem with other HUD programs, such as Section 3 and the Tenant Opportunity Program.

[56] PHAs are eligible to receive EDSS funds only once.

FAMILY INVESTMENT CENTERS

Goals

The Family Investment Center (FIC) program is based on the philosophy that many public housing residents lack the education, training, and supportive services necessary to become self-sufficient. By providing grants to PHAs for the construction of resource centers and the provision of services, FIC aims to provide families living in public housing with better access to education and employment opportunities so that they may achieve self-sufficiency.

Background

The FIC program was an outgrowth of the Operation Bootstraps demonstration project. It represents the point at which HUD began to recognize the necessary relationship between housing and service provision. The FIC program was first funded in FY 94. Funding for the program was rescinded in 1995, and the EDSS program replaced FIC in 1996. While the emphasis of FIC was on the *construction of facilities* to house service programs, the emphasis of EDSS is on the *provision of services*. Unlike FIC, EDSS funds cannot be used for the purchase, rental, construction, or renovation of buildings.

Scale and Funding

In FY 1994, HUD awarded $68 million to 82 PHAs. The maximum award was $1 million. Today, 71 family investment centers in 63 cities are in operation.[57]

Strategies

While HUD recognized the importance of providing essential services to its residents, it also recognized the fact that many PHAs did not have the space to operate employment and supportive service programs. Traditional HUD funding sources for renovation were so tightly budgeted that construction of common areas could not compete with more critical needs, such as funding for a new roof or heating system. As a result, HUD developed the FIC program. FIC funds could be used for any of the following activities:

- The renovation or conversion of vacant dwelling units in a housing development to create common areas and thereby accommodate the provision of supportive services;
- The acquisition, construction, or renovation of facilities located near the premises of one or more housing developments to accommodate the provision of supportive services;
- The provision of up to 15 percent of the total cost of supportive services; or
- The employment of service coordinators.

[57] PHAs could apply to establish one or more FICs for more than one public housing development.

As mentioned above, PHAs could use the funds for supportive services, but only if they could demonstrate that the services were essential to improving residents' access to employment and educational opportunities, and that the PHA had made diligent efforts to fund the services through other resources. Eligible supportive services include:

- Child care;
- Job training and placement;
- Computer skills training;
- Education (including GED, ESL, and post-secondary);
- Business entrepreneurial training and counseling, transportation, substance/alcohol abuse treatment and counseling;
- Supportive health care services; and
- Case management

Because the emphasis of the FIC program was on the construction of a facility rather than the provision of services, and because FIC grants operated as seed money, applicants were required to demonstrate a firm commitment of assistance from other sources, thereby ensuring that services would be provided in the future. HUD also envisioned that the program would complement HUD's other self-sufficiency activities, including the Family Self-Sufficiency Program and Section 3.

Finally, the FIC program was one of the first to address the work disincentive created by federal rent rules. Under the current system, residents' rent increases in lock-step with their income, effectively stripping away $0.30 of every additional dollar earned. In an attempt to ameliorate this disincentive, earnings of FIC participants are not treated as income for the purposes of determining benefit levels for the first 18 months of participation. The 18-month income exclusion was expanded and is now used in many of HUD's employment and training programs.

FAMILY SELF-SUFFICIENCY

Goals

The goal of the Family Self-Sufficiency (FSS) program is to help residents of public housing and recipients of tenant-based Section 8 assistance become self-sufficient through education, training, and the provision of supportive services, including case management.

The program's success is measured by the number of family members who achieve the following as a result of the program:

- Become financially self-sufficient;
- Obtain their first job;
- Obtain a higher paying job;
- Obtain a high school diploma or higher education degree; or
- Accomplish similar goals that will assist the family in obtaining economic independence.

Background

In 1990, Congress authorized the FSS program to help families who are living in assisted housing achieve economic independence. The FSS program grew out of two self-sufficiency demonstration programs, the Gateway Program and Operation Bootstrap.

Scale and Funding

The FSS program does not provide funds for services. However, funding has been provided over the past five fiscal years for FSS program coordinators. About $9.2 million was available in FY 1996 for Section 8 FSS Service Coordinators, about $15 million was available in FY 1997, and $25.2 million was allocated in FY 1998. Over 400 PHAs received FSS coordinator funding in 1998.

Strategies

Each public housing authority (PHA) receiving public housing or Section 8 funding commitments for incremental units has a legal responsibility to operate an FSS program. The PHA must have a HUD-approved Action Plan that it develops in consultation with the Chief Executive Officer of the local government and the Program Coordinating Committees (PCC).

Because the program does not provide funding for services, partnership development is critical to the success of local programs. Using public and private resources in the community, PHAs are required to develop employment opportunities and deliver support services. PHAs administering the FSS program use PCCs to assist them in implementing and securing resources for the FSS program. The PCC is made up of representatives of local government, job training and

employment agencies, local welfare agencies, educational institutions, child care providers, non-profit service providers, and businesses.

The program is open to all residents, however, PHAs are allowed to screen residents for motivation and interest (e.g. attendance at an orientation session). Incentives for resident participation in the program include:

- Escrow accounts;
- Case management;
- Income disregards; and
- Homeownership units.

Family participation is voluntary. However, families who choose to participate must sign a contract with the PHA specifying what steps both the family and the PHA will take to promote the family's financial independence and what penalties they will be subject to if they fail to comply with the contract.

HOPE VI

Goals

The goal of HOPE VI is to revitalize severely distressed public housing developments by investing simultaneously in sites, buildings, and people. Congress intended the HOPE VI program to remedy the distress of family developments that are too large to be addressed by HUD's conventional public housing modernization program. This revitalization effort focuses on physical improvements, management improvements, and social and community services to address the needs of the residents.

Background

In 1989, a National Commission on Severely Distressed Public Housing was named and charged with proposing a National Action Plan to eradicate severely distressed public housing by the year 2000. The Commission made recommendations on ways to address revitalization in three general areas: physical, management, and social and community services to address resident needs. The Commission also proposed that Congress authorize a new partnership program among PHAs, non-profit organizations, the private sector, and residents, to attract additional resources. The HOPE VI Program grew directly out of the Commission's recommendations and is intended to address the problem areas identified in the Commission's report.

Scale and Funding

On average, approximately $500 million has been appropriated for HOPE VI grants each year since FY 1993. For FY 1998 $550 million was appropriated, of which $10 million was allocated for technical assistance. Most of the funding is for physical improvements. Applicants may request up to $5,000 per household for community and supportive services, including self-sufficiency programs. Currently, there are 65 HOPE VI sites throughout the country.

Strategies

To ensure that the grantees address the social and community service needs of the residents, HUD requires each grantee to submit a Community and Supportive Services Plan (CSS). The CSS must include a needs assessment survey, goals and objectives that respond to the needs assessment, a plan for selecting service providers, and a list of partners.

The HOPE VI program strongly encourages partnership development as a means of addressing the social and community services needs of the residents. These partnerships are critical to the program's success since the funding for community and supportive services is considered gap money, which should only be used when other resources are not available. In evaluating an application, HUD will consider whether the PHA has initiated strong partnerships with entities that will provide significant funding and other commitments if HOPE VI funds are awarded. HOPE VI dollars should also leverage additional resources after grant award, including municipal funds, charitable contributions, private debt and equity, and other partnerships critical to the successful transformation of the development and the lives of its residents. To further such collaborative efforts, HUD has facilitated meetings with the PHAs and the state Health and Human Services Agencies in six states with HOPE VI sites.

HUD looks for applications that include opportunities for self-sufficiency, particularly for persons enrolled in welfare-to-work programs. An applicant's self-sufficiency plan should demonstrate the following:

- Objectives that are results-oriented, with measurable goals and outcomes;
- Consistency with state and local welfare reform goals;
- Long-term financial and programmatic sustainability;
- Integration with the development process;
- Appropriate scale, type, and variety of services to meet the needs of residents;
- Resident training, self-motivation, employment, and education;
- Opportunities for economic and retail development at or near the public housing site, as appropriate;
- Commitments by service providers to provide services and/or funding;
- Relationships that have been forged with local Boards of Education, institutions of higher learning, non-profit or for-profit educational institutions, and public/private mentoring programs that may lead to new or improved educational facilities and improved educational achievement of children of PHA residents;
- Potential employment opportunities for residents who complete community and supportive service training; and
- An effective use of technology.

JOBS PLUS

Philosophy & Goals

Jobs Plus is a welfare-to-work demonstration project aimed at significantly increasing the employment and income of public housing residents in eight developments across the country. The goal is to transform low-work, high-welfare public housing developments into high-work, low-welfare communities by targeting intensive, employment-focused services to all able-bodied, working-age welfare recipients at the demonstration sites.

Background

Recent decades have brought increasing poverty and isolation to the residents of many urban public housing developments. Changes to the welfare system brought about by the 1996 welfare reform legislation threatened the health and vitality of these communities even further; some experts speculate that the loss of benefits due to time limits and sanctions may hinder many residents' ability to pay rent.

As a result, reversing the trend of joblessness and welfare dependency and fostering a mix of income groups within public housing communities has become increasingly important. Consequently, the Jobs Plus Demonstration was created in 1997 in attempt to increase employability among people living in public housing. The Manpower Demonstration Research Corporation (MDRC) is providing technical assistance to each housing authority to help them design and implement their plans over a 5-year period. MDRC will then evaluate the long-term impact of different sites' approaches.

Scale and Funding

Jobs Plus is currently operating in eight public housing developments in seven cities:

- Baltimore
- Chattanooga
- Cleveland
- Dayton
- Los Angeles (2 developments)
- St. Paul
- Seattle

The Jobs Plus initiative is being funded by $5 million in Federal funds under HUD's Moving-to-Work initiative, matched by a $5 million grant from the Rockefeller Foundation. Each housing authority received a $200,000 grant and was required to find local matches at a ratio of at least two to one.

Strategies

Because Jobs Plus is locally designed, each city's program is different. However, each project must include three broad components:

- *Work incentives.* Each program must include enhanced financial incentives to work, implemented through State welfare law or, more typically, through changes in the rent rules for public housing developments;

- *Intensive Job Training Services.* Each program is required to offer an array of pre- and post-employment services, including job search, education, training, job development, case management, and supportive services.

- *Community Support for Work.* Each program must actively promote and support employment among working-age residents through such things as work-related information networks and peer support groups.

Jobs Plus is unique in combining these different elements and targeting them to *all* working-age residents. The hope is that this "saturation" strategy will result in a substantial increase in employment within the developments.

MOVING TO OPPORTUNITY

Goals

The goal of Moving to Opportunity is to develop more effective mobility strategies for recipients of tenant-based housing assistance in metropolitan areas throughout the nation.

Moving to Opportunity tests the impact of housing counseling and other assistance on the housing choices of Section 8 households. The program also examines the long-term effects of access to low-poverty neighborhoods on the housing, employment, and educational achievements of the assisted households.

Background

Moving to Opportunity is a 10-year research demonstration that combines tenant-based rental assistance with housing counseling to help very low-income families move from poverty-stricken urban areas to low-poverty neighborhoods.

One of the advantages that tenant-based rental assistance has over subsidized housing projects and public housing is that it allows the recipient to choose modestly-priced private housing in neighborhoods that can offer ample educational, employment, and social opportunities. However, many households receiving Section 8 rental assistance confront an array of barriers -- market conditions, discrimination, lack of information, and lack of transportation, among others -- that force them to rent housing in neighborhoods of intense poverty.

Section 152 of the Housing and Community Development Act of 1992 established three key parameters for the Moving to Opportunity demonstration:

- The demonstration will be restricted to no more than six very large cities with populations of at least 400,000, in metropolitan areas of at least 1.5 million people.
- Eligibility will be limited to very low-income families with children who live in public housing or Section 8 project-based housing located in central city neighborhoods with high concentrations of poverty.
- Non-profit organizations will provide counseling and services in connection with the demonstration and with PHAs to administer the Section 8 rental assistance.

Scale and Funding

Applications were limited to the 21 largest PHAs in the nation, and the program is now being implemented in the 5 selected PHAs: Baltimore, Boston, Chicago, Los Angeles, and New York City. HUD is not accepting new applications.

Section 8 rental assistance for the Moving to Opportunity demonstration was appropriated at $20 million for FY 92 and $50 million for FY 93. In addition, up to $1 million was allocated to non-profit counseling agencies to provide partial support for their housing search and mobility counseling efforts. These funds are assisting approximately 1,300 low-income families.

Strategies

Within the PHAs, randomly selected groups of low-income households with children receive housing counseling and vouchers that must be used in areas with less than 10 percent poverty. Families chosen for the experimental group receive tenant-based Section 8 rental assistance that helps pay their rent, as well as housing counseling to help them find and successfully use housing in low-poverty areas. To test the effects of the program, two control groups have been included: one group already receiving Section 8 assistance, and another group of families that have recently begun to participate the Section 8 program.

The participating PHAs receive funds for their administrative costs, additional vouchers, and housing counseling costs.

NEIGHBORHOOD NETWORKS

Goals

Neighborhood Networks is a HUD initiative that encourages the development of community-based resource and computer learning centers in privately owned HUD-insured and -assisted housing. Neighborhood Networks applies a "place-based" development approach to meet the needs of residents where they live. The goal of Neighborhood Networks is to increase residents' employment opportunities and access to health and wellness, improve educational performance of children, empower residents, increase participation by property owners and decrease dependency resident on federal funding.

Background

In 1995, HUD launched the Neighborhood Networks initiative to respond to the economic and educational needs of residents living in HUD-assisted properties. Policymakers in the Office of Housing concluded that HUD needed to take action to prevent welfare and Section 8 reform from negatively impacting HUD-assisted and insured housing. The combination of welfare reform and almost 25,000 expiring Section 8 contracts threatened these properties, their HUD-insured mortgages, and the FHA Insurance Fund. From this concern evolved the Neighborhood Networks initiative. The belief was that helping people improve their economic and social opportunities where they live could dramatically improve the financial prospects of these properties.

HUD works to encourage the creation and expansion of Neighborhood Networks centers across the country. HUD staff guides communities through the Neighborhood Networks center development process, from business planning to grand opening to program expansion. Offering technical assistance and limited financial support, HUD also provides information and networking opportunities for participants to learn how to develop centers, contact potential partners, and draw upon the experiences of existing centers.

Scale and Funding

Since 1995, over 400 Neighborhood Networks centers have been established nationwide. Neighborhood Networks is not a grant program. The initiative encourages centers to be self-sustaining through partnerships, business opportunities and other income-generating options. While launched by HUD, Neighborhood Networks relies primarily on local support for the development needs of the centers. HUD also may provide "seed capital" financing. HUD's intention is to be the last, most flexible piece of the funding and should be thought of as "venture capital," not a guaranteed, long-term source of funds.

Owners/agents of HUD-assisted or insured properties may utilize any of the following funding methods (in preferred order of consideration):

- Obtaining grants/resources from outside sources;
- Using the project funds/residual receipts account;

- Increasing the amount of the owner's initial equity investment in the property;
- Borrowing funds;
- Borrowing from the reserve for replacement account;
- Requesting an increase under the budgeted rent increase process; and
- Requesting a special rent adjustment.

Strategies

While no two centers are alike, centers usually offer computer access, staff assistance and a range of training resources to housing residents. Center programs may include computer training, Internet access, job readiness support, micro-enterprise development, GED certification, health care and social services, adult education classes, and youth services.

Neighborhood Networks staff positions vary across centers, with a range of full- or part-time professional staff and volunteers to assist with center administration, management, accounting, computer training and education. HUD has recommended that centers have at least two coordinators to provide expertise in computer training and technical skills, and to conduct job training, welfare-to-work, and other resident community outreach programs.

All assisted-housing communities must submit a business plan to the asset management branch of the local HUD field office. The business plan must make long-term sustainability a priority. In reviewing plans, HUD staff will consider the viability of a center to operate on its own with a substantial decrease of HUD funding within three to five years. A business plan should address some, if not all, of the following:

- Resident involvement in all phases of planning and implementation (required);
- Priority focus on resident jobs, job training and job development (required);
- Special needs of elderly residents;
- Purchase/donations of hardware/software;
- Minor construction or taking units off-line for the computer learning center);
- Appropriate staffing (an On-Line Service Coordinator (OLSC), consultants, trainers, and/or volunteers to operate the center);
- Development of "Resident Development Plans" (RDP) to meet resident training needs and goals;
- Distance or on-site learning (including activities such as childhood education, adult literacy, computer literacy, typing skills, GED and associate and higher level degrees, job training, micro-enterprise development and telecommuting); and
- Networking to local public services (e.g., welfare, health, and social security offices).

SECTION 3

Background

HUD awards billions of dollars each year for projects that generate thousands of jobs and contracting opportunities. The philosophy behind Section 3 is that HUD funds should be used not only to provide shelter for low-income communities, but to generate jobs and economic opportunities for residents in those communities as well.

Section 3 of the Housing and Urban Development Act of 1968 requires *recipients of HUD funding* to direct employment and other economic activities to low- and very-low income persons *"to the greatest extent feasible." This encompasses* many different activities, such as exposing Section 3 residents to new economic opportunities that arise in connection with HUD projects, encouraging them to apply for these opportunities, and increasing their ability to participate in them.

Congress overhauled Section 3 in 1992, substantially strengthening it and removing much of the ambiguity that crippled the original statute. The 1992 amendment specifically identifies the intended beneficiaries of Section 3, clarifies the types of HUD assistance, activities, and recipients subject to Section 3 requirements, and establishes clear numerical goals to help measure results.

Policy

There are four groups of low-income communities classified as Section 3 residents:

- Residents of the public and assisted housing;
- Those living near a HUD-assisted project;
- Participants of Youthbuild programs; and
- Homeless persons.

The type of activity and assistance involved determines which of these groups receives priority. For example, homeless people in the neighborhood would receive priority before other Section 3 residents for a project funded under the McKinney Homeless Assistance Act.

The source of a project's funding is the primary consideration in determining when Section 3 is applicable. The regulations divide covered programs into two broad categories: Public and Indian Housing Assistance and Housing and Community Development Assistance. Activities supported by assistance given to PHAs for the construction, modernization, and/or operation of public housing developments are subject to Section 3 requirements. Similarly, any entity receiving grants, loans, loan guarantees, cooperative agreements, or contracts through other HUD-assisted housing or community development programs must comply with Section 3 if the size of the award exceeds $200,000. Any contractor or sub-contractor whose participation in such a project exceeds a threshold of $100,000 must also comply with Section 3.

Section 3 applies to a broad range of activities within a covered project, including architectural services, construction, landscaping, maintenance and repair, purchasing, word processing, accounting, catering, and others. While these positions would ideally result in permanent employment for residents, there are limitations to project- or contract-related work. As a result, while Section 3 does stipulate that all employment be full-time, it does not require that it be permanent.

Goals

To help measure results, Congress established clear goals for the employment of residents. In FY 1995, 10 percent of new hires by recipients of HUD funding were to be residents, rising to 20 percent in FY 1996 and 30 percent in FY 1997 and thereafter. In addition, PHAs are to award 10 percent of the dollar amount of all contracts to Section 3 businesses.[58] Failure to meet these goals, however, does not constitute noncompliance. Rather, it simply means the burden shifts to the recipient to demonstrate why it was not possible to achieve the numerical goals.

Scale and Funding

All PHAs and every applicant of HUD housing and community development programs must certify that they will follow Section 3 requirements. However, because Section 3 only applies to newly hired employees, if recipients of HUD funding have small workforces and/or little turnover, Section 3 is unlikely to translate into large numbers of new jobs.

There is no funding for Section 3.

Strategies

Although the regulations specify standards for technical compliance, methods for linking residents with jobs and contracts are not prescribed. Because there is no funding for Section 3, it is critical that PHAs establish partnerships with service providers and leverage funding from other sources to establish training and supportive service programs. PHAs may use public housing funds as well as HOME, McKinney Act, and Community Development Block Grant funds. Seldom, however, are Section 3 efforts funded entirely through HUD programs. PHAs are also encouraged to draw on resources from other federal programs (such as the Department of Labor's Job Training Partnership Act program), state and local governments, and non-profit and private resources.

In addition, while not explicitly part of the Section 3 program, HUD encourages PHAs to utilize HUD's 18-month income exclusion as an incentive to get residents to work. During the first 18 months residents are working, earnings are not treated as income for the purpose of calculating benefit levels under any other program (including rental assistance).

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[58] Section 3 businesses are defined as those that meet at least one of the following conditions: 1) Majority ownership is held by Section 3 residents; 2) At least 30% of the employees are Section 3 residents—or were within the first 3 years of their employment; 3) More than 25% of their work is subcontracted to businesses that meet either of the first two conditions.

STEP-UP

Goals

The Step-Up program strives to provide education and training for low-income and very low-income people. Its ultimate goal is to move people from welfare and unemployment to self-sufficiency. The program offers organizations a framework that they can use to design a program that fits local needs and resources. The program works within the guidelines of the Davis Bacon and Related Acts (DBRA) in order to offer pre-apprenticeship training and employment opportunities. Pre-apprenticeship training enables people who might otherwise not qualify for apprenticeship programs to gain the skills to do so. In addition, participants earn income as they train. The program uses existing avenues for support services, job training, and employment to achieve these goals.

Background

When Section 3 of the Housing and Urban Development Act of 1968 was enacted, it required that low-income people in HUD-funded projects be afforded opportunities for jobs and training. However, DBRA placed barriers to the employment of low-income, and often unskilled, people when it required contractors to hire skilled laborers at prevailing wage rates. Skilled laborers were defined as registered apprentices. Step-Up attempts to overcome these barriers by providing a "pre-apprenticeship" program that allows low-income people to be employed and gain skills and education at the same time.

Step-Up began as an idea in the summer of 1991 and a formal announcement of the program was published in October 1992. There are, however, no regulations or statutes that govern the program.

Scale and Funding

The Step-Up program does not provide funds for technical assistance or services. However, $600,000 was available in FY 92 for Step-Up to train HUD field staff and conduct public relations to promote the program. Efforts to promote the program continued in FY 94 with another $600,000 appropriation.

There are currently 13 Step-Up programs:

- Albany/Buffalo, NY; Baltimore, MD; Bremerton, WA; Chicago, IL; Ft. Lauderdale, FL; Huntington, WV; Huntsville, AL; Joliet, IL; Las Vegas, NV; Milwaukee, WI; Nogales, AZ; Minneapolis/St. Paul, MN; and Phoenix, AZ.

Strategies

At the national level, the Step-Up program functions as a framework. It is implemented at the local level. Local Step-Up programs receive no funding from the national Step-Up office, but instead create partnerships and apply for funding from a variety of federal, state, local, private and non-profit sources. Other HUD programs such as HOPE VI and EDSS are often sources of funding. When a local employment and training program meets the criteria of the Step-Up

framework, it may be designated as a Step-Up program and receives a certificate and public relations exposure.

The elements for a Step-Up designation include pre-apprenticeship training accompanied by classroom training. Local programs link pre-apprenticeship participants with apprenticeship programs that are registered with the Department of Labor (DOL), or with the state if DOL does not have jurisdiction. The programs have historically contacted apprenticeship programs in building maintenance and the construction trade, but some programs have started to initiate programs with day care programs as well. In general, participants work for an employer as a pre-apprentice for a maximum of one year and spend approximately half of their time receiving classroom instruction to earn their GED, a trade, or post-secondary education. At the end of the year, the participant can make an informed decision about which trade to pursue.

Although a Step-Up program focuses its efforts on low- and very low-income people, employers find the program enticing as well because it helps them meet their Section 3 requirements. When they employ pre-apprenticeship participants, they fulfill their requirements to hire low-income and very low-income people. Furthermore, because these programs are registered with DOL, these employees do not violate the DBLA.

In addition to employment training and education, a Step-Up program provides support services. The national Step-Up framework offers flexibility in terms of which support services the local programs should provide. Local programs are encouraged to create a system of support services to help participants overcome the barriers that frequently hinder them from gaining self-sufficiency. These services may include substance abuse counseling, money management, child care, transportation assistance, and job readiness.

TENANT OPPORTUNITY PROGRAM

Goals

Resident organizations (ROs) are effective in facilitating economic uplift as well as in improving the overall conditions of public housing communities. The Tenant Opportunity Program (TOP) seeks to strengthen resident organizations by providing grants for organizational development, self-sufficiency activities, and conflict resolution.

Background

The Tenant Opportunities Program began as the Resident Management Technical Assistance Grant (RMTAG) program in 1988. While resident organizations have always existed, it was not until RMTAG that ROs began to take on a more active role in the management and operation of their housing developments.

TOP funds a much broader range of activities than its predecessor. RMTAG was intended to build the capacity of resident groups, thereby enabling them to participate in the management of their housing developments. Under TOP, the capacity building component still exists, but there is a much larger emphasis on service provision and self-sufficiency activities.

Scale and Funding

Since the program's inception in 1988, HUD has funded 986 grants for a total of nearly $80 million. In 1998, Congress appropriated $16 million for TOP, $11 million of which were carryover funds. Of that total, $10.9 million was available for economic self-sufficiency grants, $3 million for organizational development grants (ODGs), and $3 million for mediation grants.

Site-based ROs are subject to a cumulative maximum award of $100,000; this maximum includes the value of any TOP assistance previously received from intermediary resident organizations (IROs).[59] The maximum award a RO may receive for organizational development is $40,000; ODGs count against a RO's $100,000 maximum.

Eligible IROs may apply for a single economic self-sufficiency, organizational development, or mediation grant for up to $250,000. IROs may also apply for grants in two or more of the grant categories provided the combined amount does not exceed $350,000 for the year.

Finally, an IRO cannot assist ROs that have already received TOP grants totaling $100,000 and cannot provide assistance to a given project that would result in the project exceeding its statutory maximum for TOP funding.

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[59] Intermediary Resident Organizations (IROs) include National ROs, Regional ROs, and Statewide ROs. IROs typically provide training and organizational development assistance to site-based ROs.

Strategies

Under the 1998 NOFA, HUD awarded TOP grants in three categories. Economic self-sufficiency grants provide assistance to site-based ROs to establish programs that help move welfare-dependent families to work. Eligible activities which may be funded by ESS grants include the following: feasibility studies to determine training and social service needs, training in management-related trade skills and computer skills, coordination of support services (including child care, educational services, and health care outreach), training for programs on child care, parenting skills, health, safety, and substance abuse, workshops for youth services (including child abuse prevention, youth mentoring, and tutorial services), business development training, and technical assistance for job training and placement programs.

Organizational development grants provide assistance to site-based ROs that do not yet have the capacity to administer a welfare-to-work program or conduct management activities. These funds are targeted to help residents establish a RO or to enhance the capacity of existing ROs to develop service programs, participate in PHA decision-making, manage all or a portion of their developments, and/or apply for and administer grants.[60]

To address increasing levels of conflict between ROs and their PHAs, HUD included a third grant category for 1998: mediation grants. Mediation grants provide assistance to IROs partnering with professional mediators to resolve conflicts between residents within specific developments or between an RO and its partners, especially the local PHA.

HUD requires ROs applying for an economic self-sufficiency grant or mediation grant to conduct comprehensive needs assessments and requires all applicants to develop detailed work plans. The work plans provide HUD's field offices a tool for monitoring recipients' progress.

HUD also requires all recipients and their respective PHAs to sign a Memorandum of Understanding (MOU) as part of the grant application process. The MOU is the foundation of the relationship between the RO and the PHA. It must be precise and outline the specific duties and objectives to be accomplished under the grant. HUD incorporated the MOU to help avert problems between ROs and PHAs and to encourage a partnership between the two groups. HUD also encourages ROs to partner with other resident organizations and with local service providers.

[60] OD grants may be used to assist in the creation of a RO (for example, to obtain consulting or legal assistance with the preparation of by-laws and drafting of a corporate charter), to train Board members in community organizing and Board development, to train existing ROs for resident management or for a specific resident management project, and to develop the management capabilities of existing resident organizations.

YOUTH APPRENTICESHIP PROGRAM

Goals

Economic and social isolation afflict residents of public housing perhaps more than any other community. Residents typically have neither the skills nor the personal contacts necessary to obtain well-paying jobs. In response to this problem, HUD created the Youth Apprenticeship Program (YAP). YAP aims to be a comprehensive job linkage program, providing residents with education and skills training, job experience, and ultimately, job placement.

Background

While the majority of funds allocated by HUD are for "bricks and mortar" types of activities, YAP focuses on the service needs of residents living in public housing. In March 1995, HUD awarded grants to eight PHAs that had previously received grants under HUD's HOPE VI initiative. In contrast to HOPE IV, YAP addressed the importance of job training and employment experience or human capital development to local neighborhood revitalization efforts.

Scale and Funding

Congress appropriated $10 million dollars for YAP under the Departments of Veterans' Affairs and Housing and Urban Development, and the Independent Agencies Appropriation Act of 1994. In March 1995, HUD awarded grants of between $1.2 million and $1.5 million to the following eight PHAs to conduct demonstrations:

- The PHA of the City of Atlanta,
- The PHA of Baltimore City,
- The Cuyahoga Metropolitan PHA (Cleveland),
- The PHA of the City of Los Angeles,
- The PHA of the City of Milwaukee,
- The Philadelphia PHA,
- The San Francisco PHA, and
- The Seattle PHA.

All sites currently remain in operation.

Strategies

The YAP utilizes a multi-step approach to assist young residents (ages 16 to 30) of public and HUD-assisted housing to achieve self-sufficiency. The first phase is a pre-employment component in which participants develop basic job skills and complete academic coursework

while participating in paid community service activities. The second (optional) phase involves pre-apprenticeship training to facilitate participants' transition into apprenticeships, while the third component is placement into the apprenticeships.

As with other HUD programs, creating partnerships is a key strategy. Each YAP site had to partner with a minimum of three organizations:

- A youth corps to operate the initial pre-employment component of the program;
- A local labor organization to facilitate participants' entry into apprenticeships; and
- A multi-employer organization to provide "assured" employment of apprentices for a minimum of 30 months.

HUD also required the involvement of public housing residents in the development of the grant application and program design. Additionally, HUD encouraged sites to utilize local service providers for recruitment assistance, case management, child care referrals and other essential services.

Finally, although YAP is more structured than many of HUD's other employment and training programs, there is still considerable flexibility in its framework. Each local YAP site was allowed to tailor administrative structures, eligibility guidelines, and program design to meet the unique goals of the local partnerships.

YOUTHBUILD

Goals

Youthbuild provides low-income and very low-income young adults between the ages of 16 and 24 with opportunities to obtain education, employment skills, and on-site construction work experience as a service to their communities and a means to help residents achieve self-sufficiency. Participants are typically high school dropouts, although a portion of the participants may be high school graduates. An integral part of the Youthbuild program is an attempt to instill self-respect in young people and provide them with opportunities for leadership. In assisting at-risk youth, Youthbuild programs also expand the supply of permanent affordable housing for homeless and low- and very low-income persons.

Background

HUD's Youthbuild program is derived from a non-profit program, YouthBuild, which started in the 1970s. Dorothy Stoneman, the current President of YouthBuild, and John Bell, the Chief of Training for Youthbuild, created the program in New York City to assist economically disadvantaged young people. Youthbuild was authorized as a federal program in 1992 and first funded in 1993.

Scale and Funding

Funding has been appropriated each year since Youthbuild's inception. The amount of funding, the number of grant recipients, the number of participants proposed to be served, and the number of units proposed to be rehabilitated or constructed are also listed below.

- FY 93:
  - $40 million appropriated
  - 136 grant recipients
  - Proposed to serve 1,357 participants and rehabilitate or construction 653 units of affordable housing.
- FY 94:
  - $28 million, merged with FY 95
- FY 95:
  - $50 million appropriate, plus $28 million from FY 94, $10 million rescinded
  - 127 grant recipients
  - Proposed to serve 2,709 participants and rehabilitate or construct 1,500 units of affordable housing.

- FY 96:
  - $20 million appropriated
  - 30 grant recipients
  - Proposed to serve 1,287 participants and rehabilitate or construct 1,500 units of affordable housing.
- FY 97:
  - $33 million appropriated
  - 41 grant recipients
  - Participant and unit information unavailable.

Funding is intended as "seed money." Funding may be used to start a new program or to begin new classes for an existing program. Organizations are encouraged to find continued funding through other HUD, federal, state, local, or private housing or job training programs.

Strategies

Youthbuild programs link the needs of unemployed youth with those of employers that must meet the Section 3 mandate to employ low-income and very low-income people. However, these programs also recognize that unemployed, uneducated young people often battle additional problems. In order to be competitive with other applicants, therefore, Youthbuild programs incorporate support services.

The national Youthbuild office requires three components when it administers grants to local programs. First a Youthbuild program must emphasize educational and job training services. Educational services generally focus on secondary education so that the participants may earn a GED. Job training services include topics such as how to look for a job and how to fill out an application. Second, Youthbuild programs must provide on-site training on the rehabilitation or construction of affordable housing. Finally, support services such as leadership training, substance abuse prevention counseling, and transportation assistance must be provided. Local organizations may be more competitive in the grant competition if they also provide services such as entrepreneurial training, driver education, internships, or programs for those with learning disabilities.

PUBLIC AND INDIAN HOUSING DRUG ELIMINATION GRANT

Philosophy & Goals

HUD implemented the Public and Indian Housing Drug Elimination Program (PHDEP) in an effort to reduce crime in public housing developments and surrounding low-income neighborhoods. PHDEP supports a wide variety of efforts to combat crime and drugs, ranging from basic security to recreational and educational activities.

Background

Crime—particularly drug-related crime—has historically been high in and around public housing developments. In order to combat crime and keep families who live in the public housing safe, Congress authorized PHDEP in 1988.

In fiscal years 1996 and 1997, HUD implemented a "One Strike and You're Out" policy as part of a comprehensive strategy to change the social dynamical in public housing. PHAs were encouraged to design policies on screening and eviction to eliminate individuals with records of illegal drug-related or criminal activity.

The Quality Housing and Work Responsibility Act (QHWRA) of 1998 broadened eligible PHDEP activities to include those targeting drug-related or violent crimes in and around public or assisted low-income housing developments, and added sports programs as an eligible activity. The act also allows HUD to establish a preference for applications that address urgent or serious crime problems and to reserve a portion of the amount appropriated each fiscal year for PHAs dealing with urgent or serious crime problems. The intent of these changes is to provide more certain funding for agencies with clear needs for funds and to assure that both current funding recipients and other agencies with urgent or serious crime problems are appropriately assisted by the program.

Scale and Funding

Between 1989 and 1997, HUD awarded 4,005 grants totaling approximately $1.3 billion to Public and Indian Housing Authorities nationwide. In FY 1998, Congress appropriated $310 million.

Grants are awarded on a competitive basis and range from $50,000 to $350,000 for periods of up to 24 months. Grant amounts are determined by a sliding scale based on the number of residential unit involved.

Strategies

HUD designed PHDEP to be flexible enough to respond to each communities' unique circumstances and needs. PHDEP grants are currently awarded on a competitive basis and fund a broad spectrum of activities, including:

- employment of security personnel
- reimbursement of local police for additional security services
- physical improvements to increase security

- training and technical assistance for public housing staff and/or residents
- education and drug abuse prevention programs
- youth initiatives (sports leagues, mentoring programs, etc.)

Like the majority of HUD's programs, developing local partnerships and leveraging funding from other sources is part of the PHDEP strategy. While a local match is not required under this program, HUD awards points in the application rating process for leveraging local resources, coordinating activities with other community organizations, and including residents and local law enforcement representatives in the planning process.

APPENDIX A.B
SUMMARY OF EVALUATIONS

PROGRAM[61] / DESIGN	SERVICES/COMPONENTS	FINDINGS
Arkansas WORK ❑ 1982-1987 ❑ Evaluator: MDRC **Program Design**: experimental, mandatory Sample size: 1,127 Targeted: single parent family heads receiving AFDC	❑ Low intensity job search assistance (group job search followed by individual job search) ❑ Work experience (workfare limited to 12 weeks, 20-30 hours per week)	❑ Over two years, the employment impact measured 2.8 percentage points. ❑ Monthly earnings had an impact of $24 (over five years), as controls had average monthly earnings of $152 and program group members earned $176 on average. ❑ Average monthly earnings impacts were significant only in years one and three, having an impact of $19 and $36 respectively.
Maine Training Opportunities in the Private Sector (TOPS) ❑ 1983-1987 ❑ Targeted: unemployed, single AFDC recipients ❑ Evaluator: MDRC **Program Design**: experimental, voluntary ❑ Sample size: 297 experimentals and 147 controls ❑ Applicants who were single heads of household, AFDC recipients for at least 6 months, unemployed, and literate	❑ Prevocational training (2-5 weeks) ❑ Work Experience: unpaid work in public or non-profit sectors (20 hours/week, up to 12 weeks) ❑ On-the-job training (private sector) for up to 6 months: 50% wage subsidy ❑ Medium treatment intensity level	❑ TOP had sustained positive impacts on earnings over the entire follow-up period. Experimentals had average earnings of $7,344; controls had average earnings of $5,599. ❑ Differences in employment, number of AFDC recipients, and amount of AFDC receipt were insignificant,[62] in general. ❑ TOPS raised the income of experimentals about $3,000 each at a cost of about $1,100. ❑ ** Many women (those with child care, transportation, health, and other barriers) were "screened out" of the program.
National Supported Work Demonstration ❑ 1975-1980 ❑ Evaluator: MPR **Program Design**: experimental, voluntary ❑ Sample Size: 1,620 ❑ Targeted: four disadvantaged groups one of which was long-term welfare recipients.	❑ Pre-assignment preparation ❑ Counseling ❑ Subsidized employment (in crews with peers and gradually increasing work demands) ❑ High treatment intensity level	❑ The likelihood of employment was 8.5 percentage points higher for treatment group members than for control group members (statistically significant at the 10% level) and the percent change in employment was 20.3% (comparing treatment and control group means). ❑ During year 3, the mean for the treatment group's monthly earnings exceeded the control group mean by over $200 (a significant 48% difference). ❑ Earnings impacts were sustained over many years. In years 6, 7, and 8 (post-graduation), average annual earnings were approximately $1000 higher than they would have been without the program. ❑ Supported work significantly reduced monthly AFDC payments by more than $100 (about 25%). The impacts were relatively long lasting.

[61] This table is roughly grouped according to focal program component. It aims to mirror the succession of the components, barriers, and supports in the *Assessment Framework* Table (e.g. programs focusing on assessment or job search are placed at the beginning and those which are centered around transitional supports such as case management are placed near the end). The general, comprehensive programs are located at or near the end.

[62] Throughout this table, "insignificant" and "significant" indicate the *statistical* significance of findings.

PROGRAM / DESIGN	SERVICES/COMPONENTS	FINDINGS
Home Health Aid Demonstration ❑ 1983-1986 ❑ Evaluator: Abt Associates **Program Design**: experimental, voluntary ❑ Sample size: 3,516 people were randomly assigned in 7 states ❑ Targeted: AFDC recipients	❑ 4 to 8 weeks of classroom training ❑ Supported work ❑ High treatment intensity level	❑ In 6 of 7 sites, the program significantly increased earnings over a two-year period. ❑ It improved employment rates and reduced welfare receipt in 4 of 7. ❑ After three years, earnings gains averaged about $1,500 over all 7 sites. ❑ After 4 and 5 years, earnings gains averaged $500.
JTPA: On-the-Job Training ❑ 1987-1989: National JTPA Study (NJS) with 30 month follow-up ❑ 1994-1996: GAO study **Program Design**: experimental ❑ NJS participants randomly assigned to program and control groups ❑ SSA annual earnings records augmented data through 60 months. ❑ Targeted: economically disadvantaged male and female adults and youth who face employment barriers	❑ Assessment of individual's needs and abilities and strategy of services ❑ Classroom training ❑ On-the-job training ❑ Job search ❑ Counseling ❑ Basic skills training ❑ Support services ❑ Summer jobs and training ❑ Year-round training and employment programs for youths	❑ The statistical analysis did show some positive effects of JTPA in the years immediately following training; however, there were no significant effects on earnings or employment rates after 5 years. ❑ Annual earnings increases (of around $500) for adult men were significant for years 1, 2, and 3. ❑ Annual earnings increases for adult women were significant for years 1-4 (and were around $380 for year 1, $650 for year 2, $580 for year 3, and $530 for year 4). ❑ Male and female youths experienced no significant differences in earnings or employment for all 5 years. ❑ The only significant increase in employment rates for adult men occurred in year 4 (control group rate: 73.3%; treatment group rate: 70.0%). ❑ Employment rates for adult women were significantly higher in years 1, 2, and 3. Differences were 2.9 percentage points in year 1, 2.6 percentage points in year 2, and 2.1 percentage points in year 3.
Minority Female Single Parent Demonstration (MFSPD) ❑ **1982-1988** ❑ Evaluator: MPR **Program Design**: experimental ❑ Random assignment to program or control group ❑ Targeted: single AFDC mothers	❑ Skill and education assessment ❑ Integrated education and training ❑ Basic reading & math skills; ESL ❑ Job placement assistance ❑ Child care ❑ Counseling ❑ Treatment intensity varied; it was highest at the CET site	❑ One site from the Minority Female Single Parent Demonstration (MFSPD), the Center for Employment Training (CET), had promising initial results: thirty months after baseline interviews, the average monthly earnings were 45% higher among program participants than the control group. ❑ Two other MFSPD sites (Atlanta and Providence) had no effect on employment or earnings. ❑ A fourth site, in Washington, D.C., had modest gains in employment, but because the findings were inconsistent over time, the reliability of the results was questioned.

PROGRAM / DESIGN	SERVICES/COMPONENTS	FINDINGS
Even Start Family Literacy Program ❑ 1991-1994 ❑ Evaluator: Abt Associates **Program Design**: experimental ❑ Sample size: 565 families participated in the experimental component of the evaluation in 10 sites[53] ❑ Targeted: low-income families with at least one parent who is eligible for adult education programs	❑ Adult Basic Education ❑ GED preparation ❑ English as a Second Language ❑ Adult secondary education ❑ Parenting education ❑ Provision of support services to enable participation in core services	❑ Both treatment and control group children showed significant gains on a measure of school readiness; however, the gain for the treatment group was not significantly higher than that of the control group. ❑ There was no significant program effect on child literacy. ❑ Parents in both groups showed gains in literacy but there was no significant difference between the two groups. ❑ 22.4% of treatment group members attained a GED while only 5.7% of control group members did so. ❑ There were no significant program effects on measures of social support, financial resources, income level, and employment status.
Minnesota Family Investment Program (MFIP) ❑ 1994-Present ❑ Evaluator: MDRC **Program Design**: experimental ❑ Multi-site, random assignment to one of three groups ❑ Targets: welfare recipients in 7 counties	❑ Generous earnings disregard ❑ Several levels of education, including basic education, GED, ESL, high school, and post-secondary ❑ Intensive employment and training ❑ Direct child care payments ❑ Case management ❑ 20% increase in basic AFDC grant	❑ For long term[54] recipients, employment and earnings did increase over 18 months of follow-up. ❑ The proportion of recipients in the MFIP program who were employed was nearly 40% higher than among recipients in the AFDC program. ❑ Over the 18 month period, these families saw a 13% increase in income and a 16% reduction in poverty (both significant at the 1% level) at a cost of an 8% increase in welfare payments. ❑ The MFIP program had no lasting effects on employment or earnings for long-term recipients in rural areas. It was not successful for parents in urban areas who were applying for welfare upon program entry. ❑ The positive impacts for some groups were largely due to the program's financial incentives.

[53] Five of 10 sites used *random* assignment using about 200 families.
[54] Those living in urban areas and receiving welfare for at least 24 of the 36 months prior to entrance in the study.

PROGRAM / DESIGN	SERVICES/COMPONENTS	FINDINGS
Canada Self-Sufficiency Project (SSP) ❑ November 1992-March 1995 ❑ Evaluator: SRDC **Program Design**: experimental,[55] voluntary ❑ Sample size: 6,000 single parents were assigned to the program or control group ❑ Targeted: long-term Income Assistance recipients in New Brunswick and Vancouver	❑ Generous income supplement of up to $8 an hour ❑ Participation is limited to "long term" Income Assistance recipients[56] ❑ Recipients had to find work within one year of signing up ❑ Work requirement of at least 30 hours per week ❑ Three year time limit	❑ By the 5th quarter, SSP had doubled the full-time employment rate of the program group; the employment rate was 29% for program group members and 14% for the control group (the impact was significant at 15.2). ❑ In the 5th quarter, 70.2% of program group members were receiving Income Assistance compared to 83.2% of control group members (the impact of –13.0 was significant). ❑ In the short run, SSP increased total transfer payments. ❑ Every $1 spend on additional transfer payments bought more than $2 in increased earnings and led to more than $3 of additional income.
Florida's Family Transition Program (FTP) ❑ February 1994-December 1999 (still under evaluation) ❑ Evaluator: MDRC **Program Design**: experimental, mandatory ❑ Sample size: 2,815 people randomly assigned to program and control (AFDC[57]) groups ❑ Targets: all non-exempt welfare recipients	❑ Financial incentives including an earnings disregard of $200 and ½ ; generous asset allowances ❑ Survival skills and employability skills workshops ❑ Parenting skills ❑ Short-term occupational training (ABE and GED) ❑ Support services: subsidized child care (in addition to up to 24 months of transitional care assistance), mental health counseling, on-site nurse, transportation assistance and case management ❑ Parental responsibility mandates	❑ Of the 919 FTP group members who are part of the long-term analysis and who could have reached the time limit by June 1997, only 102 actually exhausted their months of benefits. ❑ At year 2 of follow-up, 52% of program group members were employed compared to 44% of control (AFDC) group members. ❑ Members of the two groups were equally likely to be receiving benefits at the end of a 2 year period, as FTP did not reduce the number of months in which people received welfare. ❑ FTP did, however, reduce the average amount of welfare people received in the final quarter of year 2 ($217 for FTP group vs. $271 for AFDC group; significant difference of -$54). FTP also reduced Food Stamp amounts (2-year totals had a significant difference of -$343). ❑ Over 2 years of follow-up, average earnings for the FTP group totaled $6,656 compared to $5,754 for the AFDC group (the difference, of $902, was significant; the percent change was 15.7). ❑ During the last quarter of year 2, average total income (from earnings, AFDC/TANF, and Food Stamps) was $1,647 for the FTP group and $1,532 for the AFDC group (significant difference of $115, percent change of 7.5).

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[55] This could be considered quasi-experimental as random assignment to the control group was limited to those who were ineligible for the supplement.
[56] Single parents who had been receiving benefits for at least one year.
[57] AFDC group members, while not eligible for FTP services may have been required to participate in other activities.

PROGRAM / DESIGN	SERVICES/COMPONENTS	FINDINGS
Child Assistance Program (CAP) ❑ 1988-1995 ❑ Evaluator: Abt Associates **Program design**: experimental ❑ Sample size: 4,287 ❑ Targeted: single-parent AFDC recipients who have at least one child covered by a child support order	❑ Intensive case management ❑ Earned income disregard of 90% up to the poverty level and 33% beyond that ❑ No $50 pass through for child support ❑ No resource limit ❑ Cashed-out Food Stamp benefits.	❑ After two years of follow-up, the control group had average earnings which were significantly (27%) higher than the control group. A similar impact is estimated for the fifth year of follow-up. ❑ Child support orders increased significantly. Over five years, treatment group participants were 21% more likely than control group members to gain new child orders. ❑ The amount of child support payments did not significantly increase. ❑ At year two, there was no significant impact on cash assistance receipt alone. ❑ However, *combined* Medicaid, Food Stamp and AFDC receipt was significantly reduced by 4%.
Post Employment Services Demonstration ❑ **1994-1996** ❑ Evaluator: MPR **Program Design: experimental** ❑ Random assignment to program and control groups in 4 sites ❑ Targeted: newly employed welfare recipients in the JOBS programs	❑ Case management (intensive) ❑ Assistance with budgeting and dealing with workplace problems ❑ Counseling ❑ Job search assistance ❑ Help in obtaining child care and the EITC ❑ Service referrals	❑ Participation rates: Almost 9 out of 10 clients used at least on case management service during the first six months of the program. ❑ More than 70% received counseling and support services (including discussion concerning workplace behavior and budgeting) ❑ Four in 10 received job search assistance. ❑ Preliminary findings in three of the four sites indicated that PESD services resulted in small increases in job retention, employment, and earnings, as well as a small decrease in welfare benefits. The results were statistically significant in only one site.

PROGRAM / DESIGN	SERVICES/COMPONENTS	FINDINGS
Comprehensive Child Development Program ❑ 1990: recruitment, random assignment, and service delivery ❑ 1991-1996: data collection ❑ Evaluator: Abt Associates **Program Design**: experimental ❑ Sample size: 2,213 program group members and 2,197 control group members Targeted: low-income families, serving both parents and children for five years	❑ Parenting education (including child development and health care) ❑ Nutrition education, parenting skills, life skills ❑ Bi-weekly case management visit ❑ Adult literacy education ❑ Vocational training, ❑ Employment counseling ❑ Job training ❑ Referrals to support services (substance abuse, mental health, child care, and physical health)	❑ Control group members had slightly higher utilization rates of AFDC (66% vs. 63%) and Food Stamps (81% vs. 78%), at the two-year follow-up period. ❑ CCDP produced no statistically significant impacts on the economic self-sufficiency, employment, income, or life skills of participating mothers. ❑ After five years of follow up, there were no significant impacts on the cognitive or social-emotional development of participating children. ❑ CCDP had no important differential effects on subgroups of participants (e.g. people with differing educational attainment, age, living partners...et cetera). ❑ 2-year findings indicated that 36% of control group parents participated in formal group child care compared to 16% of controls.
Oregon JOBS ❑ February 1993-mid 1996; two-year follow-up **Program design**: experimental, mandatory ❑ Sample size: 5,547 single-parent AFDC applicants and recipients aged 21 and over who attended a program orientation entered and were randomly assigned to treatment or control groups in 7 sites throughout Portland, Oregon	❑ Case management ❑ Mandates and sanctions ❑ Job development ❑ Job search/Job placement activities ❑ Life skills training ❑ Education ❑ Vocational training ❑ Individualized work experience (custom designed)	❑ Program group members were seven times more likely than control group members to engage in job search. ❑ The program increased the number of recipients who obtained a GED or trade license certificate. ❑ 72% of program group members (compared to 62% of the control group) were employed. ❑ Average earnings (over the two year follow-up) were $7,133 and $5,291 for program and control group members (these significant increases were due to more hours worked and higher wages). ❑ Average AFDC payments were $5,818 and $7,014, respectively.
Baltimore Options ❑ 1982-1987 ❑ Evaluator: MDRC Program Design: experimental, mandatory ❑ Sample size: 2,737 ❑ Targeted: AFDC recipients (mostly those without children under the age of six) and new applicants	❑ Mandates and sanctions ❑ Job search assistance ❑ Remedial education ❑ Classroom occupational training ❑ GED tutoring ❑ On-the-job training ❑ Community work experience (up to 13 weeks) ❑ Medium treatment intensity level	❑ Participation rates for any program activity were 45%, 25% participated in job search, 18% participated in community work experience/workfare, and 17% participated in education and classroom training. ❑ Participants experienced statistically significant monthly earnings impacts for years 2-5. Monthly earnings impacts were $44 for year two, $57 for year three, $53 for year four, and $47 for year five. ❑ Average three-year earnings were $7,638 for program group members and $6,595 for control group members (significant difference of 16%).. ❑ The program had no significant impacts on monthly AFDC payments or months of AFDC receipt.

PROGRAM / DESIGN	SERVICES/COMPONENTS	FINDINGS
Quantum Opportunity Program ❑ 1989-1993 ❑ Evaluator: A. Hahn, Brandeis University **Program Design**: experimental ❑ Random assignment to treatment and control groups ❑ Targeted: incoming 9th graders from families receiving public assistance	❑ Education activities (computer-assisted instruction) ❑ Peer tutoring and homework assistance ❑ Community service ❑ Life and family skills training ❑ Training/education on substance abuse, arts, college, and job planning ❑ Financial incentives: stipend for participation, matched funds placed in an accrual account to be used for post-secondary activities	❑ By the end of high school, the experimental group scored higher than the control group on tests of 11 skills (functional and academic). The differences were statistically significant. ❑ The experimental group members were more likely to graduate from high school than control group members (64% vs. 42%) and they were also more likely (42% vs. 16%) to go on to post-secondary school (both results were statistically significant). ❑ The experimental group was significantly less likely to have children while in high school (24% vs. 38%). ❑ Thirty-four percent of the experimental group vs. 12% of the control group received honors and awards while in school. ❑ The experimental group was more likely to take part in a community project (21% vs. 12%), volunteer to tutor or mentor (28% vs. 8%), and give time to a non-profit (41% vs. 11%).
Parents' Fair Share (PFS) ❑ 1994-Present ❑ Evaluator: MDRC **Program design**: experimental ❑ Sample size: 2,641 people randomly assigned to program and control groups in 7 sites ❑ Targeted: low-income parents (mainly men not in compliance with child support payments and who also have children on welfare) found eligible and appropriate for referral to PFS	❑ Peer support (focusing on responsible parenting) ❑ Employment and training services including: job search, job clubs/workshops (resume writing, interviewing...), skills training, on-the-job training...et cetera ❑ Mediation with custodial parents ❑ Lower child support payments during program	❑ In three sites (where a special study of extra review was conducted) the increase in the proportion of parents paying any child support ranged from 6 to 15 percentage points. ❑ In these sites, the average total child support payments per parent subject to the extra review increased by $160 to $200 over the six quarters of follow-up. ❑ Across all 7 sites, the number of parents who paid support during the follow-up quarters increased by about 4.5 to 7.5 percentage points (impacts were focused in the 3 sites above). ❑ No site produced increases in employment and earnings that were consistent and statistically significant during the 18 month follow-up.

PROGRAM / DESIGN	SERVICES/COMPONENTS	FINDINGS
New Chance ❑ 1989-1992 ❑ Evaluator: MDRC **Program Design**: experimental ❑ Multi-site, random assignment to control and program groups ❑ Targeted: unmarried females ages 16-22 who had their first birth as teens and dropped out of high school	❑ Life skills, family planning and health education ❑ Counseling ❑ Parenting classes ❑ Child care ❑ GED classes, adult education ❑ Job skills training ❑ Vocational training, work internships, and job placement ❑ Intensive case management	❑ Participation (%) in education programs (over the 42 month follow-up) was 89.2 for program members and 76.2 for control group members (having a significant impact of 12.9). ❑ The demonstration had no statistically significant effect on employment, AFDC receipt, or earnings (likely due to participation in education and training). ❑ The program had a significant impact on GED receipt of 11.8% (45.2% of experimentals vs. 33.4% of controls). ❑ The program had no significant impacts on emotional well-being or pregnancy rates. ❑ The program did influence the form and amount of child care along with having modest positive effects on parenting measures. ❑ The interventions had a slightly negative effect on children as mothers rated their children as having more behavioral problems and fewer positive behaviors (positive behavior had a significant impact of –5.3; behavioral problems in children had a significant impact of 1.5).
JOBS (Atlanta, Riverside, and Grand Rapids) ❑ Two year implementation/follow-up ending in 1994 ❑ Evaluator: MDRC **Program Design**: experimental, mandatory ❑ Sample size: 11,977 AFDC applicants and recipients ❑ Two methods evaluated (Labor Force Attachment, LFA, and Human Capital Development, HCD)	Services under LFA model: ❑ Case management, including assessment ❑ Job club (job search) ❑ Short-term education focusing on resume writing, workplace behavior, interviewing skills ❑ Phone room ❑ If needed, short-term subsidized work or additional education Services under HCD model: ❑ Case management and in-depth assessment ❑ Development of employment plan ❑ GED/high school completion programs ❑ Vocational training or college courses ❑ Work experience integrated into education programs ❑ Job club	❑ Participants in LFA programs had significantly higher levels of earned income and lower utilization of welfare benefits than controls (impacts peaked around year one and then began to diminish). ❑ HCD participants also saw gains in employment in earnings along with reductions in welfare benefits relative to the control group (the impacts tended to increase as the follow-up period drew to an end). ❑ However, participants in the LFA programs who did not have a high school diploma or GED did not have statistically significant earnings or welfare impacts due to treatment group participation. ❑ The LFA group saw strong, early impacts that peaked around quarter 4 and then declined. HCD participants had impacts which were more modest at the start; however, they increased steadily over the two years of follow-up.

PROGRAM / DESIGN	SERVICES/COMPONENTS	FINDINGS
Greater Avenues to Independence (California GAIN) ❑ March 1988-June 1990 ❑ Evaluator: MDRC **Program Design**: experimental, mandatory ❑ Sample size: 22,791 single heads of household and 10,142 heads of two-parent households randomly assigned in six sites ❑ Targeted: AFDC recipients	❑ Case management ❑ Skills assessment ❑ Remedial education, ESL, GED ❑ Those with adequate skills were permitted to enter directly into job search ❑ Vocational training ❑ On-the-job training ❑ Occupational skills training ❑ Post-secondary education ❑ Child care for one year ❑ Reimbursement of transportation costs ❑ Treatment intensity varied by site	❑ For single parent program participants, employment increased by 4.3 percentage points and average earnings increased by $2,853 during the five-year follow-up (employment impacts decreased over time; earnings gains were largest during years 4 and 5). ❑ Five year AFDC savings for this group averaged $1,496 across the six counties. ❑ For heads of 2-parent households, employment increased by 6.3 percentage points over five years and earnings gains totaled $1,906, reaching a maximum in year 5. ❑ AFDC payments for this group were reduced, on average, $1,432 over five years but declined substantially in years 4 and 5. ❑ Impacts on employment and earnings were strongest in Riverside county (which had one of the highest treatment intensity levels). Riverside also experienced the port persistent AFDC savings. ❑ In general, services had a greater impact on those recipients considered not in need of basic education.

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